The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

February 11, 1939

Anti-Red 'Culture' in Shanghai

AN EDITORIAL

Powers of New War Council

Migration to the Southwest

BY T. C. CHEN

Chefoo in Monopolists' Grip

BY JOHN STERLING

Japan Controls China Markets

BY JOHN AHLERS

Isolationists on the Warpath

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What People Are Saying

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JAPAN'S MAN POWER

To The Editor:

According to a telegram from Tokyo, Japan's military activities in China are not likely to end very soon. Replacements have previously been sent to China as the service terms of the soldiers already in this country have expired. Now Japan is experiencing a shortage of man-power. The exhaustion of Japan's strength is apparent. The fascist war ministry has submitted to the Diet a proposal for the extension of the term of military service.

The Japanese warlords entertained hope of a rapid victory. Yet during the 19 months of China's resistance, the spirit of our people has risen. Resentment against Japan mounts higher and higher. It is generally believed that China's resistance will finally bring Japan to her senses. According to recent reports, 8,000 boxes of Japanese corpses were sent from China back to Japan. This gives an idea of Japanese casualties.

Japan's military power is limited. She can utilize only part of it for aggressive purposes abroad. The rest she must keep at home to deal with possible domestic uprisings or invasion of her colonies. Because Japan is unable to send reinforcements to China, the military service term has now to be prolonged. Japan's dream of a quick victory has been completely shattered.

P. H. ALFRED WANG.

Shanghai, February 6, 1939.

CHRISTIAN VIEW ON WAR

To The Editor:

I consider some of the statements that you repeatedly make in your editorials to be unfair, and some are not true. I suppose it is a matter of personal opinion, but you must know that there is a very large group of Christian men and women who are absolutely opposed to war—any and all wars—simply because they are convinced that war is a sin.

You may not agree with this conviction but you might respect it at least. You must know that it is neither fair nor true to call members of peace societies in America as "pro-Japanese." Nor is it fair or true to say that all people in America who oppose war are "isolationists"....I have great sympathy with the Chinese in their present position and a horror of what Japan is doing in the name of "Capitalism." But both logic and common sense tell me that America has no place in this war....

I do not expect you to agree with me, nor do I expect you to understand my position, but you can respect it....We may not proclaim it to the world, are not in a position to do so, and as I said before our sympathies are with the Chinese....We did our talking before the war and now must keep quiet, but we shall talk again after the war is over.

I am renewing my subscription and am enclosing check....mails very slow and we fear that much mail never reaches us.

F.

Hunan Province,
January 1, 1939.

VIEW OF 'PARADISE'

To The Editor:

In view of Japanese claims about improved conditions in areas occupied by their military, it occurred to me that the following description of conditions in a city near Shanghai might be of interest. (Names omitted)

During January we issued 31,111 bowls of rice to destitute people. A serving consists of two good bowls, hence this means we have given an average of 502 persons two bowls of rice twice a day. The relief committee decided that we should increase the number of food tickets to 520. Today we gave out 517 despite the rain. Since the capacity of our cooking equipment is 530 helpings, we have decided not to go beyond that figure. We could easily give out 1,000 tickets daily and still find those who are in need. It hurts to turn away a poor old woman perhaps 76-years of age and yet we apparently will have to do that. If you could see the eagerness with which they come for such a bare, unseasoned meal, you would realize the extent of the poverty in this community which was so prosperous and peaceful before the outbreak of hostilities.

Some of the destitute people have to walk a mile to get this rice and they walk this distance twice a day to get this rice. One poor woman came this afternoon, saying she had fever and she had every appearance of being seriously ill. We greatly need more funds for relief in this district and hope that something can be done about it.

Feb. 5, 1939.

KIANGSU.

FOOCHOW EXPORT BAN

To The Editor:

Following the fall of Canton, Foochow became an important port. Customs figures show the buoyancy of trade. Beginning today, the exportation of certain native products, timber, paper, bamboo, etc., to the enemy country or places controlled by the enemy, has been prohibited. Merchants here have appealed to the authorities in Chungking for modification of the ban.

C.F.S.

Foochow, February 1, 1939.

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Shanghai Subjected to Anti-Comintern "Culture"

SEVERAL months ago when the Japanese Army created one of its first "dummy" Sino-Japanese companies to operate launches on the canals in the Shanghai littoral, the army spokesman announced that a German had been appointed on the board of directors. That was the first indication that the Japanese warlords had decided to share their spoils with their European allies. Previously the Japanese had proclaimed loudly that no third parties were to have a finger in the Far Eastern pie.

Since that time there have been further indications of a Japanese tendency to give their anti-comintern allies some of the morsels which dropped from the Japanese sukiyaki dish. A recent unconfirmed report stated that the Japanese had appointed a German on the board of their new army-created aviation company in North China. This company is operating planes on all of the North and Central China air-routes which previously were flown by the China National Aviation Corporation, a joint Sino-American concern, the American interest being Pan-American which owned 49 percent of the stock.

T. A. Bisson, well known expert on Far Eastern affairs, in a recent report published by the Foreign Policy Association said that Germany was cooperating with Japan in consolidating Japan's territorial gains and declared further that both the Reich and Italy hoped to obtain "privileged positions" in the eventual Japan-China-Manchukuo bloc which Japan was striving to create. Mr. Bisson pointed out that German and Italian cooperation with Japan "would widen the scope of attacks against Western possessions in the Far East."

That the cooperation between Japan-Germany-Italy involves more than "sharing the spoils" economically is also becoming apparent. A few days ago the Japanese military command here turned down an application of the director of an American mission hospital at Anking for a traveling pass for a refugee Jewish doctor from Vienna who desired to join the hospital staff and had been given a contract by the officials of the American mission here. Previously the Japanese had granted several passes to Jewish refugees to proceed to points within Japanese-occupied territory in order to assist American missionaries in handling the relief problem.

Since the ratification of a so-called German-Japanese "cultural" agreement by the Japanese Privy Council at an extraordinary plenary session on Nov. 22, the Japanese military authorities here have stiffened their attitude tremendously, not only on the Jewish question, but on other matters. The Japanese have promoted fascist groups among White Russians in practically every city from Shanghai to Harbin. It should be stated, however, that these groups are largely composed of Russians who are employed by the Japanese Army and that they do not receive the support of the rank-and-file in the Russian communities, excepting in such places as Manchuria and Tsingtao where there are no foreign concessions and where the Japanese army has complete control.

Of greatest significance, recently, has been a development in the field of news dissemination in the Far East which may produce repercussions somewhat similar to developments in the Near East and in South America. Specifically, the development here concerns the distribution of news reports of a propaganda character which are likely to create complications in the relations of America-Britain-France—and China.

Recently the Japanese official *Domei* service has begun circulating to the local foreign and Chinese press in Shanghai and elsewhere a special Italian news service prepared by the official Italian *Stefani News Agency*. Previously the Japanese news service was only concerned with the circulation of news reports which originated in Japan or in China. Only on rare occasions did *Domei* circulate news reports from the United States or Europe, and in all cases the reports had some special bearing on the Far East. But the signing of the anti-comintern "culture" pact has created a new situation which may have startling results.

For example *Domei* recently circulated to the local newspapers a number of radio reports from Rome which were distinctly anti-American in tone and content. Most of them were concerned with the flare-up in American politics resulting from Roosevelt's conference with members of the Senate military affairs committee. Japanese reports from Rome said that the United States was "actively interfering" in European affairs and that President Roosevelt's reported statements constituted "real provocation . . . . particularly in view of the reserved tone of Reichsfuehrer Adolf Hitler's address." Another Italian *Stefani* report from Rio de Janeiro (Feb. 2) which was circulated here by *Domei* said that Roosevelt's "open pledge of support to the European democracies, was an attempt to forestall a German demand for African colonies . . . . because Germany as an African colonial power . . . . would bring the Third Reich much closer to South America than is the case now . . . . The newspapers (in South America?) generally regarded Roosevelt's declaration as an outgrowth of the rearmament policy adopted by the Washington Administration." A further report from Rome—(*Stefani*, Feb. 3) circulated here by *Domei* lauded former President Hoover's attack on Roosevelt's alleged statement about America's frontiers The report quoted the Italian paper *Messagero* as declaring Roosevelt's action was a "Jewish maneuver," while another Italian paper *Il Popolo Di Roma* said that Roosevelt

was trying to instigate the people of Europe against each other " in order to give work to American industry."

According to recent reports the State Department officially protested to the Italian Government regarding personal insults leveled at President Roosevelt in the Italian papers. One wonders whether officials of the State Department were aware that the official *Domei* service assisted the official *Stefani* in circulating the Italian reports in China!

Japanese circulation of *Stefani* reports also had a British interest when an unnamed Italian official was quoted as saying that " If Italy found herself involved in a war started by her or by others, Germany will not inquire who was the aggressor, but will give complete military aid to Italy . . . . even if Italy should attack first . . . . it would be due to the need of obtaining a recognition of her rights . . . ." This report, although concerned with Italian affairs, was circulated here by *Domei* under a London dateline. Another Japanese *Domei* report from Rome also declared that French anxiety regarding the presence of Italian volunteers in Spain, " were regarded (in Rome) as excessive."

Of even more significance, however, was an *Agenzia Stefani* report from Rome (Jan. 20) which was circulated here by *Domei* which asserted that Balkan countries " were looking with increased enthusiasm upon the new order being created in Europe through the efforts of Germany and Italy." One can imagine how enthusiastic the Balkan states must be at the prospect of losing their independence in the Czechoslovakian manner! But *Domei* insisted this was the case—resulting from a visit of Mussolini's son-in-law Count Ciano to Belgrade.

Aside from the diversion provided by President Roosevelt's alleged statement about America's European frontiers, much of the *Domei-Stefani* copy recently has been concerned with the activities of Gen. Franco and Premier Benito Mussolini. For example, on Feb. 2 Mussolini ordered construction started on 17 new ships to strengthen the Italian mercantile marine. On Feb. 4, Mussolini was scheduled to announce important decisions on foreign policy to the Fascist Grand Council. On Feb. 5 he ordered the renaming of Reinach Theater in Parma " in order to eliminate Jewish influence in Italian public life." The same day, he approved a plan to erect a statue of the late Marquis Guglielmo Marconi in the main square of the World's Fair proposed for Rome in 1942. On Feb. 6, Mussolini piloted his own plane to Naples where he inspected the Fuorigrotta zone, returning to Rome, still piloting his own plane. On Feb. 7 he flew to Perugia—piloting his own bomber this time—and ordered the number of workmen in aviation works, doubled immediately. It seems that Perugia was the place " from where the historical march on Rome stated in 1922." . . . (all *Stefani* through *Domei*).

The *Domei-Stefani* link-up has also devoted major attention to the victories of Gen. Franco, but space is not available for an extended review. On Jan. 27 *Domei* reported that Italy would hold a " predominant position " in Spain after Gen. Franco's domination of the whole country . . . . Italy and Germany, having established a firm influence in Spain . . . . will strengthen the Rome-Berlin axis in the Mediterranean . . . . A struggle for supremacy in the Mediterranean between Anglo-French and Italo-German forces is indicated as a sequel to the termination of the Spanish civil war . . . ."

As a sort of final shot, Far Eastern newspaper readers were told that Signor Roberto Farinacci, member of the Fascist Grand Council, who was visiting in Berlin, made a " vigorous attack on the Vatican for its alleged benevolent attitude toward the Jews." Signor Farinacci also took advantage of the occasion to denounce the attitude of France toward Italy during the Ethiopian campaign. . . . " It was Germany's friendship which allowed Il Duce to conquer Abyssinia," he declared.

Since the German *Transocean News Agency* already distributed a service in China, it was not necessary for it to make a deal with *Domei*. The German service is the bulkiest delivered to local newspapers, usually averaging over 10,000 words a day, the fee charged being only a small fraction of the actual cost, which is borne by the Nazi Government. While *Transocean* is usually concerned with German and Central European affairs which have a bearing on German policies, it occasionally picks up and circulates in the Far East items of American news which are not likely to improve American prestige in the China market. For example *Transocean* reported on Feb. 6, under a New York dateline that the Governor of Puerto Rico had announced that there were 750,000 American citizens in Puerto Rico " who were without any livelihood." He alleged further, according to the German service, that the legislation of President Roosevelt was responsible for the deplorable situation which was described as a " confused policy."

Complete ramifications of the Japan-German-Italian "culture" pact are not known and the news-exchange arrangement is still new. But sufficient has already appeared, as shown in the foregoing, to indicate what the future has in store. It was necessary for Great Britain to take steps several months ago to offset Rome-Berlin propaganda in the Near East and more recently the same subject has received attention in the United States where efforts are being made to counteract German and Italian propaganda of an anti-American character which is being spread in Central and South America.

Under normal conditions the foreign and Chinese papers in the port cities are served by the British *Reuters* and the American *United Press*, both of which are operated on a commercial basis. This means the newspapers must pay a reasonable rate in order to cover cable or radio tolls and handling. In recent years the French *Havas* service has distributed news in English to the foreign press at a comparatively low rate. The Soviet *Tass* agency also distributes a limited service to the foreign and Chinese-language press without charge. The British, American and French services, while concerned chiefly with news originating in their respective countries, do, nevertheless make a serious attempt to cover world news as news.

Obviously there could be no objection from any quarter to the circulation of Italian news in China, even though it is largely devoted to the personal activities of Il Duce. The same applies to Germany. But when Japan-Germany-Italy combine their activities in a so-called "culture" pact, seemingly concerned with the propagation of reports designed to discredit the activities of other nations in this field, it may become a matter of serious concern.

Gandhi Appeals to Raj Against Indian Vassals

What *Reuter* described as a virtual ultimatum to the Raj to intervene and restore peace in the states of Rajkot and Talcher, where the Civil Disobedience Campaign is in progress, was contained in an article by Mr. M. K. Gandhi and published Feb. 4 in his newspaper, the *Harjant*.

" Unless the paramount power intervenes," he writes, " it may lose the cooperation of Congress and the Ministries of Bombay and Orissa.

" It is insufferable that Congress, which today is in alliance with the British Government, should be treated as an enemy and outsider by states that are vassals to the British."

Gandhi concluded with an appeal to the Marquess of Linlithgow, Viceroy and Governor-General of India, to " remove this corroding poison."

"It will always be my aim to try to win Mr. M. K. Gandhi's confidence." declared Subhas Chandra Bose, who was recently re-elected President of the Congress Party. " It would be tragic," he said, " if after winning the confidence of others, I fail to win the confidence of India's greatest man."

Outlining his future policy, Subhas Chandra Bose declared he would rally all the strength of his resources to combat federation and to push forwards to the goal of complete independence.

America's Case For Military Preparedness

BY MAJOR-GENERAL FRANK R. McCOY*

(St. Louis Post-Dispatch)

FOR the first time in our history, the American people are deeply concerned in preparing adequately against war. The cries of "Peace, Peace" are being countered by conscientious and careful consideration of the choice between Peace and righteous Peace. The people realize the implications of what is happening in the world around them. They seem to be determined, without undue fear, to meet whatever situations may arise.

In the international confusion, paralleled by conflict of opinion at home, there is need for clarification of the broad issues involved and search for sound interpretation. The built-up peace machinery has gone by the board. The "open door" in the Far East has been shut in our faces. What, then, should America do by way of military preparedness? I feel that we should first consider the broader international and national policies of America as put before us by the President and the Secretary of State, and the probable and possible military and naval doctrine of the Government. Farseeing statemanship and skillful diplomacy, accompanied by adequate preparedness against war, should give such weight to our international policy that our interests will be respected and our peace policy accepted without the appalling waste of actual participation in war. At the time of the Napoleonic Wars and the recent World War, our interests were outraged again and again because of our unpreparedness, and eventually we were forced to fight.

"But Be Careful"

The Chicago Tribune

The recent pronouncements of the President on national defense show that the intention of the American people is not to be caught unprepared again.

It has been officially stated: "As a nation we will show ourselves that we are in a position to defend ourselves from all aggression from whatever source it may arise, and to be prepared by joining with our fellow democracies of the new world in preserving the Western Hemisphere from any threats of attack." This is a broad restatement of the cardinal principle of our foreign policy for more than 100 years. It is nothing new, but the intention to implement it is new and heartening.

Our broader problems for the present and near future are likely to be based on these policies:

First: Of continued isolation, involving no treaties of alliance or understandings with the great Powers of Europe and Asia.

Second: Proper and reasonable protection of our nationals and their far-flung interests.

Third: Western Hemisphere defense in cooperation with the American democracies, assuming solidarity along the lines as generally agreed upon at the Buenos Aires Conference. At that time an agreement was approved that any act that might affect American peace affected the American republics one and all, and would justify consultation proceedings among them

It is well to recall that the American continents are insular in position, between Europe and Africa on one hand and Asia and Australia on the other, so that most of our foreign trade and that of South America is transoceanic. Our standards of living and habits of life, have

Road to Calvary

The Chicago Tribune

**Major-General Frank Ross McCoy, recently retired after a full career in the United States Army, is a professional soldier who has served as diplomat and at times in the field of statecraft. He took part in the Santiago campaign in Cuba and in the Moro expeditions in the Philippines and commanded the cavalry patrol on the Rio Grande during the trouble with Mexican bandits. His World War service culminated in his designation as director-general of transportation for the American Expeditionary Forces in France. Previously he had been commander of the Sixty-Third Infantry Brigade. After the war he was Chief of Staff of the American Military Mission to Armenia and of the special mission to the Philippines, where he remained for four years as assistant to the Governor-General. He has commanded three corps areas, most recently the Second. His special assignments include supervision of the Nicaraguan election in 1928 and membership on the Lytton Commission on Manchuria, and also served on the international military commission at Shanghai which adjusted the Sino-Japanese complications following the Japanese intervention at Shanghai early in 1932. His home is Lewistown, Pa., his birthplace.*

become directly dependent on the sale of surplus products overseas, as well as on the secure flow of our imports. Military dangers are wholly transoceanic. So our security in war, as well as our standard of living in peace time, is dependent on the reliability of our means of overseas communications.

Jefferson predicted that most of the foreign trade of the United States would eventually originate in the Mississippi Valley and flow into the Gulf of Mexico. But the people of this region have not yet realized how directly their surplus profits are related to sales overseas. It is important that they should realize this and take

The Burden

Herblock in Lynchburg, Virginia, News

a greater interest in the development of American foreign trade and the shipping and naval power essential to it.

So, in considering broad military and naval policies, it is the national duty and intention to defend our territories and peoples, to protect our world-wide commerce and to insure respect for our peaceful policies of open and equal opportunity. Incidentally, the protection of our interest abroad would automatically assure our security at home.

To meet this responsibility the Navy should be strong enough to prevent any attack on Latin America, as well as to perform its proper functions in protecting the coasts of the United States. This means a properly balanced fleet operating in either ocean. It should be understood that a great fleet must be securely based; otherwise its operations are negative. Hence the vital importance of the Panama Canal and the fortified bases there and in Hawaii and the need of such in Alaska and its islands. Consideration must be given to the safety of the so-called stepping stones in the Pacific, such as Pago Pago, Midway and Guam. Even, so, and assuming our continued isolation, we are correspondingly weak in the Atlantic, where consideration should be given to the Caribbean defenses. Guantanamo and the Puerto Rican-Culebra-Virgin Islands area give the best of strategic rendezvous, but lack modern defenses and air bases. These are the real defenses of the canal and our gulf ports.

Diplomatic plans should envisage the eventual procurement of Bermuda when practicable, and of a port and air base between Puerto Rico and South America, with assured neutrality of the Azores.

Above all is the absolue need of another interoceanic canal. The only other practicable route is across Nicaragua, which would give two strings to our bow instead of the one vital one at Panama. For purely economic reasons the Panama route can be so enlarged and improved that it would be sufficient for many years, but the Nicaraguan route has been recently surveyed and could be built in 10 years. This new and shorter route to the Pacific and its coasts would also be of particular economic value to the Mississippi Valley.

I believe the high command of the Navy has based its policy on expert analysis of the actual problem and in such a progressive way as to meet conditions as they may arise. The plans for a well-balanced, up-to-date fleet, and for keeping it so, have been already approved by Congress and the public, but at the present rate it will take critical years to complete them.

Now for the Army, which is closer to everyone of us. Here we have an organization on a somewhat different basis—a small regular establishment, supplemented by National Guard and Reserves. The organization should be capable of quicker expansion in time of emergency.

The National Defense Act of 1920 remains the basic concept on which our national defense is constructed. Under its wise provisions, and with the present organization of the War Department and the Army, the country could be prepared to fight another great war on the 1917 pattern, or to defend the country against any attack which may practicably be brought against it from beyond the seas. However improbable may be our intervention in another world war, the Army must plan for the worst that may befall. This planning would involve once more putting the "nation at war," with the consequent controls necessary, including economic and industrial mobilization, selective service, etc. Largely based on experiences of the Great War and the lessons there learned, it would involve considerable time and complete national effort.

To meet earlier action in areas where danger threatens, the present Chief of Staff has provided a "protective

Perhaps a Good Investment

Shoemaker in The Chicago Daily News

mobilization plan" which is the immediate responsibility of the War Department and the Congress.

In view of the perilous world conditions, the President has announced a thorough check-up of the Army and its plans. This will be presented to Congress in January, and until such responsible report is made, it can only be said that it will involve a thorough moderni-

zation and quickening of rearmament and provisions for reserves of men and munitions. Indications are that special consideration will be given to greatly increased air forces.

Although the newest and best types of semi-automatic rifles, anti-aircraft guns, both mobile and fixed, anti-tank guns and improved field artillery have been approved and in some cases partly supplied, it will take considerable time to complete the rearmament and furnish reserves of munitions for the protective mobilization forces.

You can call the spirits from the vasty deep, but will they come? Not in peacetime in the United States unless production is geared by large educational orders to the already selected plants throughout the country. This higher speeding should be stimulated and kept operating in order to avoid the series of lages such as we have had in the past. For the past 20 years the Army has been living on the fat of the Great War.

The immediate procurement problem for the Army embraces some 55 articles or processes not now available outside of Government arsenals in peace time. Under present appropriations only six of these have been arranged for.

The responsible heads of both services and their assistants are highly trained and experienced, are deeply conscious of their responsibility and are worthy of the confidence and support of the country. If this is maintained continuously, the American people need have no fear of the results.

The greatly increased expenditures, however, do give pause. They must be contrasted with the many more billions of dollars and millions of lives lost in war itself. And they must also be considered comparatively with the war budgets of possible enemies.

Whatever may be the new policies of our Government in foreign affairs, and the consequent Navy and Army plans, the stage is set for a new epoch, and it is assured that the foreign service and that of the Army and Navy will be greatly expanded and improved. There will be new opportunities for fine careers in these public services.

The Army has always been a fine career, both for officers and men. It has trained and produced many of the men who explored and developed the great West, built the early railways and founded the leading technical institutions. Presidents and statesmen, great business men, have come from the Army. I foresee even greater opportunities in the Army of the future, which is even now a great business—big business in all its forms and scientific aspects.

Millitant Missouri has known war and warriors on her own soil. She has seen military expeditions, such as those of Lewis and Clark, Zebulon Pike, Bonneville and Fremont, starting from St. Louis. The splendid Doniphan, whom Abraham Lincoln called the most impressive man he has across the Sante Fe Trail to Chihuahua and on to Tampico—the most remarkable march since Zenophon saw the sea at Trebizond.

Grant and Sherman made Missouri their choice for home. John J. Pershing and the present Chief of Staff of the Army, Malin Craig, were born in Missouri, and went to West Point to begin their brilliant careers in the Army. Of course, not every officer of the Army can reach the height, but he has the chance—the baton is still in every knapsack.

In view of the President's coming message to Congress, which will give exact facts and figures, I have tried to pose the problem on broad lines. However, I hold and give a few opinions.

Recent events have brought home the advantages of a dictatorship in the execution of war measures, as compared with the slower methods of a democracy with its checks and balances.

In preparation for war Congress should in a sense investigate itself to quicken its action, simplify the service appropriations and eliminate many restrictions which bind the hands of the executive in the exercise of his duties as Commander-in-Chief of the Army and Navy and in the conduct of foreign affairs.

The public should support Congress in repealing the recent so-called neutrality laws. It should prevent the recurrence of the danger of any such weakening and pernicious act as the Ludlow amendment.

Democratic and patriotic traditions should be strengthened in homes and schools, by progress in human welfare, in education and in youth training such as that given by the CCC.

Interest in military and naval history should be encouraged, and interpretive books, such as "If War Comes" by Dupuy and Eliot and "The Ramparts We Watch" by Eliot, should be generally read.

In counting the costs it is well to remember that all nations existing today are the result of war; that it is still the first duty of government to perpetuate and to defend itself.

Canton Population Drops to 9,000—a Dead City

Before the Japanese occupation, the city of Canton, metropolis of South China, had a population exceeding 1,500,000, about the same as Detroit or Los Angeles in the United States, considerably more than Glasgow or Birmingham in Great Britain, and about double the populations of such German cities as Cologne or Munich, and considerably more than the present population of Hamburg.

Canton was occupied by the Japanese military forces in October last year, less than four months ago. According to a recent estimate by a foreign correspondent who made a survey of conditions in Canton, the present population does not exceed 9,000 people. Most noticable, according to the correspondent, was the absence of the large "floating" population, the thousands who previously led picturesque lives on sampans and houseboats anchored in the Canton river. Only a few boats anchored close to the walls of the island of Shameen remain. Also absent from the once crowded streets of Canton are the rickshas which previously jostled those walking in the streets. Only a casual motor car bearing a Japanese military flag or the flag of some foreign nation, breaks the silence of the streets.

Hotels, restaurants and shops stand with open doors, but there are no stocks or clerks inside and no potential customers outside. Charred ruins and flame-swept buildings stand as testimony to the fires which have raged. Flowers and shrubbery have wilted and bear testimony to the absence of hands to provide fresh water in the dry season.

The Japanese military bugle sounds at 7 o'clock p.m. and after that until the bugle sounds at daybreak, there is no sound except the occasional croak of a frog or chirp of a cricket. Occassionally the sky is lighted up by a fresh fire, but no fire engines go clanging through the streets. Flames leap from vacant house to vacant house and from street to street.

No children scamper in or out of school gates hanging open on their rusty hinges. Churches are closed with their flocks scattered to the distant corners of the province. Only in a few refugee camps supported by outside charities does one hear songs of worship on Sunday mornings.

Once the richest and largest city in Asia, Canton is now a city of silence and complete solitude. Not even a pig roams the narrow streets and alleys and any cock so brave as to crow would shortly provide food for some hungry Japanese soldier. Three British ships lie idle, bottled up by the Japanese blockade and foreign gunboats which dared the Pearl river mines are anchored in the stream. Except for the sale of loot, either through Japanese agencies or a few Chinese working with them, there is no business. There is an abundance of cameras and typewriters which may be bought for as little as $1.

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Japan Provides Entertainment for the Cantonese

Tokyo, Feb. 7—(*Domei*) An "Amusement ship" loaded with entertainment devices and equipment for the use of Chinese adults and children in South China is being sent to Canton soon, according to announcement of Japanese officials. The ship will carry 150 radio sets, 600 gramophones, 18,000 checker sets, softball and football equipment and an assortment of Japanese talkie films. The arrangement for the dispatch of the ship was made by Corp. Jiro Hoshino, member of the press section of the Japanese Expeditionary Force in South China. He announced that his object was to provide entertainment and sports facilities for the Chinese people of South China.

Nipponese Military Bar Jewish Doctor from Anking

The local Japanese military authorities last week refused to grant permission for an Austrian Jewish doctor to join the medical staff of an American mission hospital at Anking, Anhwei province. The Jewish physician, said to be a man of extensive experience and training, recently arrived in Shanghai from Vienna. The Japanese military officer who was responsible for the rejection of the application for a traveling pass was named Capt. Otori. The reason for the rejection was not stated but was thought to be due to Nazi influence in Japanese military circles.

A nunber of refugee Jewish physicians, many of them specialists in their profession, have been sent to hospitals in the

interior sections of the country. In all cases their work has proved satisfactory, according to reports of relief agencies.

According to a report which appeared in the *Shanghai Times* last Sunady, the Shanghai Municipal Council addressed a letter to the Consular Body last December, inquiring whether it would be possible to limit the number of European refugees coming to this city. The Consular Body's reply, which was to have been made this week, the report said, would offer no remedy for the problem, but members of the Consular Body would inform their respective governments of the position in Shanghai today and ask them to try and dissuade Jewish and other refugees from coming here.

Some 1,400 Jewish refugees, fleeing from Nazi terror in Germany and Austria, have arrived in Shanghai during the past several months, and another 800 are due shortly on the Italian liner, *Conte Biancamano*. Most of the arrivals are destitute, or near-destitute, and are being aided by the local Jewish refugee relief association. The funds of this organization are understood to be almost exhausted. Some of the refugees have found jobs, been set up in business, or have managed to establish themselves in their professions. Relief for the majority, however, will be necessary for Some time to come. Small contributions for Jewish refugees here have begun to trickle in from America and Great Britain, the amounts last week being U. S. $500 from United States and £2,250 from Britain.

The Netherlands government announced last week its decision to admit 60,400 adult and about 1,000 child refugees from Germany and Austria. *Havas* reported that a committee of American and British representatives may leave shortly for British Guiana to study the possibility of establishing European Jewish refugees in that colony.

Admiral Yonai Is Sorry for America

Admiral Mitsumasa Yonai, Japanese Navy Minister, stated in reply to unestions in the lower house of the Tokyo Diet on Feb. 7 that the fortification of Guam "would only serve to make American defenses more vulnerable . . . . if a country maintains a naval base so far from its mainland, it will have its fighting power weakened all the more."

The Admiral's statement was made in reply to a question by the well known Japanese publicist Yusuke Tsurumi, who is a member of the Minseito Party. Continuing, the Navy Minister said there was not the slightest reason for breaking off peaceful relations between Japan and America. He did not think the Japanese authorities should take seriously the reports referring to the fortification of Guam. Concluding his remarks Admiral Yonai declared,

> "I feel extremely sorry for America when I hear that she is planning to fortify Guam."

On the following day, Feb. 8, Admiral Yonai announced that the Japanese Navy would be the "driving force" in the construction of a "new order in East Asia." When asked about the Navy's connection with the Tri-Partite Anti-Comintern Pact, he stated that the pact was "ideological" hence had no connection with national defense. The German *Transocean* service reported from Tokyo on Feb. 8 that Japan's decision to expand her program of naval construction "was a direct result of the stupendous rearmament plans set on foot in England, the United States and Soviet Russia." The Japanese program, according to the German report (based on statements in the *Asahi*) "provide for the construction of a battleship and expansion of the Japanese air force."

The bitter attack in Congress on President Roosevelt's policy of aiding Britain and France in their rearmament program, received a setback when a split developed in the ranks of the Republican opposition, according to a *United Press* message from Washington, dated Feb. 6. The reason for the changed attitude on the part of the opposition was the feeling that the time was inappropriate for an attack on the Administration's foreign policy "because of the nationwide popularity of the Government's defense program." The *United Press* report, which appeared in the *North-China Daily News* on Feb. 8 said that all Congressional committees were busy expediting consideration of the Administration's defense bills. Also there was definite indication of the Administration's intention of continuing to facilitate the sale of planes to Britain and France.

Senator Key Pittman, Chairman of the Senate Foreign Relations Committee announced his full support of the State Department's "voluntary" embargo against the shipment of American aircraft to Japan. "Japan has violated the Nine-Power Pact . . . I do not feel that we should sell war materials to any treaty violator." He expressed the view that legislation probably would be passed prohibiting the export of materials, even indirectly associated with the manufacture of war supplies to nations "such as Japan who have failed to keep their treaty pledges." The message said that the embargo on aircraft to Japan had been facilitated by the large contracts for aviation supplies placed in the United States by England and France. It was also stated that Great Britain's large purchases of scrap-iron probably would result in another "voluntary" embargo on these materials against Japan.

"Baron Hiranuma a Sore Disappointment"

(The following editorial appeared (Jan. 31) in the Manchuria Daily News, organ of the Kwantung branch of the Imperial Japanese Army which controls Manchuria).

The "Strong Man of Japan," the leader of the Japanese "Fascists" as the world had, rightly or wrongly, labeled Baron Hiranuma has turned out to be a sore disappointment to the nation which had expected something more than mere expositions of abstract theories of the State and parrot-talk of what had been repeatedly dinned into the ears of the nation by the former Konoye Cabinet. Perhaps the nation is to be blamed for having placed too high hopes upon the Baron, but the fact cannot be ignored that his Diet address on the platform of the new Government, and the speeches of his Cabinet members were sorely lacking in freshness vividity and concreteness. Nor did the speeches represent any substantial constructive improvement upon the declaration of the former ministerial incumbents. The only political conception, which the Konoye Cabinet had not exploited, but which Baron Hiranuma has sought fit to introduce as his pet theory of government is his rather high-flown words which translated into every day English mean "the entire nation assisting and supporting the Throne" so that government may be conducted in a manner which would "enable each subject to attain to the position in society to which he is entitled." The same words have been repeated in answers to Diet interpellations, but without any attempt to carify them for the benefit of the man on the street. As to actual methods whereby the entire nation will be enabled to assist the Throne, or attain his rightful position in society no intimation, to say nothing of any concrete plans, has been given.

The same also holds good in the case of another of his characteristic statements that "justice and righteousness most be the fundamentals of politics." As a maxim this statement as well as the political principle quoted in the preceding paragraph naturally command the support of the nation, but the fact remains that the nation as a whole is still vague as to their real meaning. Such threadbare words as "justice" and "righteousness," when applied to politics, mean nothing unless used in connection with concrete, constructive proposals whereby they may be attained.

Premier Hiranuma also revealed himself to be somewhat of a fatalist when he reportedly replied in the Lower House Budget committee meeting on January 28th that the success or failure of a thing is natural, that human agency cannot control the trend of affairs. Those who are in charge of affairs of the State, therefore, he declared, must keep this truth in mind, while taking every possible care to dispose successfully of the China Incident. We appreciate the seriousness with which the Premier is dealing with the incident, but we cannot but voice our dissatisfaction with the somewhat fatalistic outlook he is taking towards mundane events. The same sense of dissatisfaction is also felt with the replies of the Premier and his Cabinet ministers in the Diet. Such replies are for the most part statements of vague generalities, or evasions on the pretext that the matter is now under consideration. We admit that the China policy is immutable, but that is no reason why the present Government cannot propose useful, constructive plans whereby the set policy may be effectively pursued. The mission, and the raison d'etre of the Hiranuma Government consist in the disposal of the China Incident. What the nation demands is that in tackling this admittedly Herculean task, the Hiranuma Cabinet will display, decisiveness, constructive originality and courage to translate its plans and decisions into deed. Something more tangible than misty evaporations from beclouded minds is what the nation is expecting of the present Diet.

Russian Fascist Coming to Shanghai Soon

Anastasy Vestiatsky, who claims to be leader of Russian emigre fascists in the United States, is expected to arrive in Shanghai shortly. Vestiatsky, shortly after his arrival in the United States, married a wealthy American widow and has been living in royal style at the town of Thompson, Connecticut. Recently when the Committee on un-American activities in Congress began its investigations, Vestiatsky decided it would be healthier abroad, particularly since he was the object of attack by leftist groups. He visited both Rome and Berlin, and according to a report by a Russian correspondent in the *North-China Daily News*, he is expected in Shanghai on Feb. 13 and after a few days here—at the Park Hotel—will proceed to Japan.

Tenders Invited For Yunnan-Burma Rail Jobs

Tenders for the construction of bridges and tunnels of the projected Yunnan-Burma Railway were invited by the engineering department of the railway in advertisements published in Chungking newspapers Feb. 7, according to a *Kuo Min* report. Tenders are to be sent to the engineering department of the railway at Kunming (Yunnanfu) by Feb. 15.

Supreme War Council Given Dictatorial Powers

WITH the publication of further details concerning the establishment of the Supreme National Defence Council by the recent 5th Plenary Session of the Kuomintang Central Executive Committee, it appears that the Council possesses a much greater importance than is generally realized.

The Council virtually amounts to a military government. As the highest organ during the period of war of resistance, it is to exercise a combined authority over all party, political and military affairs. According to its organic law, it is competent to issue orders to the Military Affairs Commission and the five Yuans of the National Government. Under its direct jurisdiction is the newly-created Party and Political Affairs Committee for the War Zones. The Council also takes over the functions of the Central Political Council, which has been suspended since the flight of Wang Ching-wei.

Headed by Generalissimo Chiang Kai-shek, the Council will be composed of the following:

(a). Members of the Standing Committee of the Central Executive Committee.

(b). Members of the Standing Committee of the Central Supervisory Committee.

(c). Members of the Military Affairs Commission.

(d). Presidents of the Executive, Legislative, Judicial, Control and Examination Yuans.

Under the Council will be established an Executive Committee, to be composed of the following officials:

(a). Secretary-General of the Central Executive Committee.

(b). Various Ministers of the Executive Yuan.

(c). Directors of various departments of the Military Affairs Commission.

The Council, it is understood, will administer its affairs through a standing committee of eleven members. They are to be composed of presidents of the five Yuans and the leading military commanders on active service, including Generals Feng Yu-hsiang, Li Tsung-jen, Pai Chung-hsi, Chu Te (commander-in-chief of the 8th Route Army), and two others.

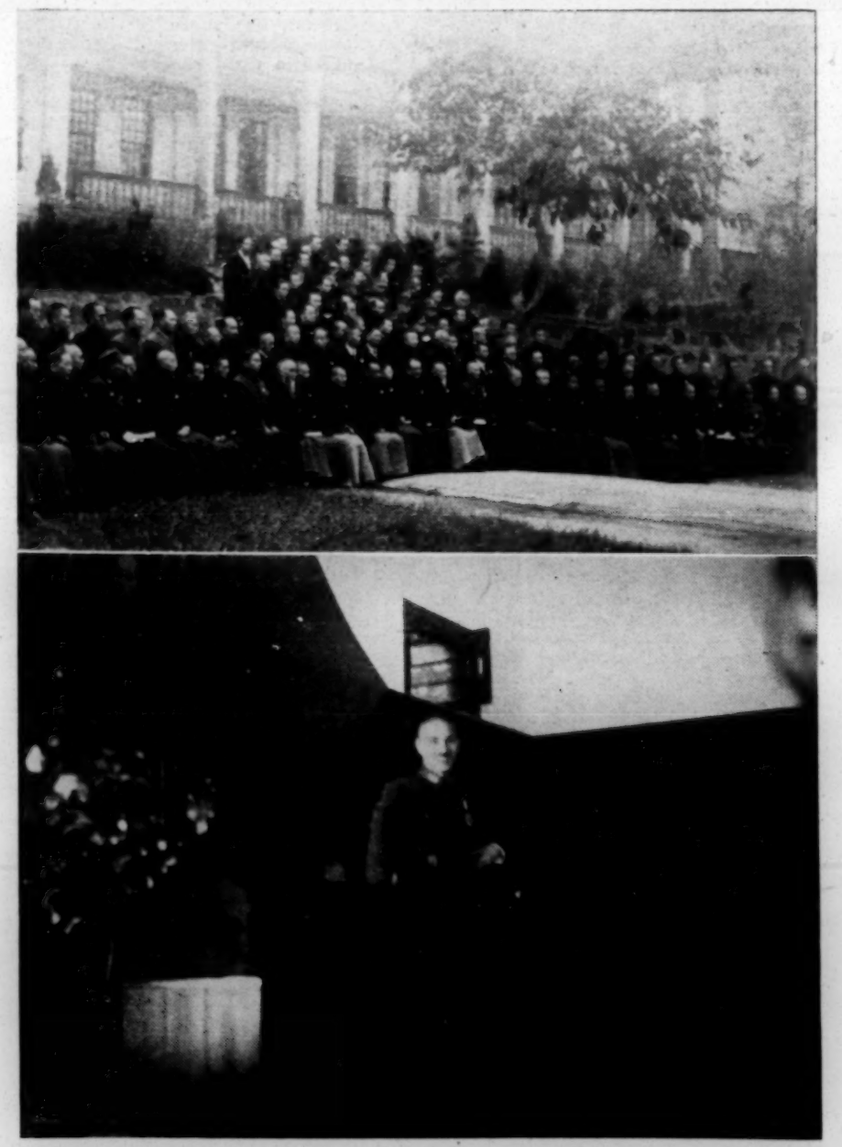
While no important changes in the personnel of the National Government are likely to occur, it is generally expected that there will be a minor reshuffle in both central and provincial governments. Gen. Ho Ying-ching, the war minister, may be appointed governor of Kweichow, and Gen. Chen Cheng, director of the Political Affairs Department of the Military Affairs Commission, is mentioned as his successor. Wong Wen-hao, Minister of Economic Affairs, it is reported, may be transferred to the post of Minister of Education to replace Chen Li-fu. Wu Ting-chang, incumbent chairman of Kweichow, will succeed Dr. Wong as Minister of Economic Affairs. Gen. Huang Hsu-chu, chairman of Kwangsi, will be appointed Minister of Interior, in succession to Gen. Ho Chien, who will be given another post. Gen. Wei Yung-sung, commander of a Kwangsi army corps, will be appointed chairman of Kwangsi. It is also reported that Gen. Wu Te-chen, former chairman of Kwangtung, now in Chungking, may be made Minister of Interior. K. P. Chen, managing-director of the Shanghai Commercial & Savings Bank, who headed the Chinese financial mission to Washington to negotiate for American financial aid to China, is likely to be appointed governor of the Central Bank, which has been held concurrently by Dr. H. H. Kung. Two candidates are mentioned for the post of minister of the newly-created Ministry of Frontier Affairs, namely, Gen. Mao Tse-tung, chairman of the Military Council of the 8th Route Army, and Chou En-lai, representative of the Chinese Communist Party at Chungking.

No Policy Change

Reports that changes were made in the policy of the National Government at the C. E. C. Session were categorically denied by Yeh Chu-tsang, new director of the Central Publicity Department. "The conference," Mr. Yeh said, "adopted no new policy, since the Kuomintang and the entire nation are following a fixed policy." Mr. Yeh further declared that the prosecution of the program laid down at the Emergency National Kuomintang Congress, which was held last May in Hankow, would be continued. The recent C.E.C. Session, he added, merely afforded an opportunity for Kuomintang leaders to examine the work done during the past eight months.

In connection with the foreign policy of the National Government, it was stated that three measures were decided upon at the Session. The measures were: (1) To urge the League of Nations and the signatories of the Nine-Power Pact to enforce their resolutions; (2) to negotiate with the Powers directly concerned with the Far East for the restoration of international peace and order and the safeguarding of the sanctity of international treaties; and (3) to

Plenary Session of the Kuomintang in Chungking



The Fifth Plenary Session of the Central Executive Committee of the Kuomintang, China's ruling party, took place in Chungking, the provisional capital, towards the end of January. Its most important decision called for the establishment of a Supreme National Defence Council, which will have absolute jurisdiction over all party, political and military affairs. Upper picture shows the delegates to the session, while below General Chiang Kai-shek is seen addressing the assembled party representatives. The broad smile on the Generalissimo's face suggests a happy, confident mood.

readjust the Chinese diplomatic service with a view to promoting closer relations with the friendly Powers.

Commenting on the achievements of the 5th Plenary Session, the *Chung Mei Jih Pao* (Chinese-American Daily News) stressed the importance of spiritual solidarity as the keynote for the success of the present campaign of resistance and national reconstruction. Only through spiritual solidarity, the paper said, could China be saved from the present crisis and achieve final victory.

Establishment of the Supreme National Defence Council for the purpose of unifying the direction and administration of party, political and military affairs was hailed by the *Yih Pao* as one of the most important resolutions adopted at the session. The decision to improve the Kuomintang organs below the grade of District Tangpu was also regarded as important, because the task of organizing the masses in the rear lay in the hands of the lower-grade party organs in various localities.

The *Morning Leader* declared that the Session further clarified China's stand by re-emphasizing the aim of the present struggle, that is, restoration of China's sovereignty and territorial integrity. Reaffirmation of this aim constituted an effective answer to Japan's repeated attempts to induce China to surrender and a crushing blow to her dream of establishing a "New Order" in East Asia.

One of the important effects of the C.E.C. Session, as seen by the Japanese, was that the Chinese Communist Party began to show a "more conciliatory" attitude toward the Kuomintang and abandoned its demand for positions in the National Government. The Communist leaders were said to have even indicated that they would be willing to more the base of operations of their troops from the Northwest. According to the interpretation of the Japanese, this alleged change in the communist policy was due to the fear of the Communist leaders that too much activity on their part might cause some members of the Kuomintang to join the "pacifist faction" headed by Wang Ching-wei.

Marshal Wu Balks

Whatever fresh intrigues the Japanese may have in store concerning the use they plan to make of Marshal Wu Pei-fu, their tactics so far to induce him to lead "a save China for Japan" movement apparently completely failed. Despite their persistent persuasions, inducements and intimidations, Marshal Wu has firmly but tactfully turned down all Japanese overtures to head a puppet government.

Surrounded by a body of Japanese and Chinese guards, Marshal Wu was forced to receive foreign press correspondents at his Peiping residence last week. He was expected to proclaim his emergence from retirement and his acceptance of the puppet post as head of the so-called Pacification Commission at Kaifeng, but he failed to meet the Japanese expectations.

Marshal Wu told his interviewers that he had been asked by Japanese and Chinese friends to come out and lead a peace movement. "But to succeed," he declared, "I must have real power and the ability to enforce peace." As the condition for his emergence from retirement, Marshal Wu was reported to have put forward three demands: 1. Formation of a large Chinese Army, completely under his command; 2. Return of real power in China to Chinese hands; 3. Withdrawal of Japanese troops from China.

It was significant that Marshal Wu uttered no word against Chungking, although he is anti-Communist. Subordinates of Marshal Wu said that the Marshal was incensed at the Japanese press for declaring that his interview amounted to an "acceptance of Japan's terms" and that he was ready to come out to lead a peace movement.

Commenting on Marshal Wu's statement at the interview, a military spokesman at Chungking declared that the statement had been mutilated by the Japanese to suit their own purpose. The spokesman said that Marshal Wu would only agree to emerge from retirement if the Japanese militarists agreed to restore the political integrity of China and take their Army home.

Marshal Wu is understood to have been in close contact with the authorities at Chungking through his personal representative, Liu Ping-chun. Mr. Liu died suddenly on Feb. 3 from an old ailment. His death was generally regretted in Chungking and Gen. Chiang Kai-shek has ordered an appropriation of $3,000 for his funeral expenses.

Another Nippon Setback

A further setback was experienced by the Japanese in their efforts to secure peace following the publication of a circular telegram by 33 public bodies in North China, urging the National Government and the Chinese nation not to be misled by Japanese propaganda. The telegram pointed out that despite the prolonged hostilities, the Japanese had failed to accomplish their objectives and that their military and financial resources were approaching exhaustion. Internationally, they were becoming isolated. In face of these difficulties, the telegram continued, Japan was obliged to seek peace, but, knowing the determination of the National Government not to discuss this subject, the Japanese were spreading rumors that Chinese public bodies or prominent individuals like Marshal Wu Pei-fu were urging peace. The telegram denied these rumors as groundless and urged the continuance of the war of resistance in order to achieve final victory.

A further indication of anti-Japanese sentiment in North China was provided this week when the British Ambassador, Sir Archibald Clark Kerr, passed through Tientsin on his way to Peiping. While in Tientsin a delegation of Chinese presented him with a letter signed by 482 Chinese residents who voiced their support for the National Government and Gen. Chiang Kai-shek. Expressing their regret that the Chinese National Government could not welcome the British Ambassador to Tientsin, the Chinese emphatically denied that they had urged a peace policy by accepting the Japanese terms. The signers of the letter said that an inspection of conditions in North China would clearly show how the Japanese had "slammed the Open Door and how your Empire had suffered." The letter concluded with the statement that when the Ambassador returned "in two, or at the outside, three years," he would find Tientsin beflagged with "our National Flag again."

The Peiping and Nanking regimes are soon to be reoganized, as a result of the decisions reached at the 4th meeting of the Joint Commission held at Peiping. Both regimes will be re-named "political commissions." Wen Tsung-yao, president of Nanking's legislative Yuan, will head the "South Political Commission," while Wang Keh-min, chief executive of Peiping, will head the "North Political Commission." Each commission will be composed of 15 members.

A joint office of the Peiping and Nanking regimes was opened in the Chinese Embassy at Tokyo and the five-barred flag raised on the building, according to a *Domei* report.

Wang Ching-wei, ousted Kuomintang politician, has again received a brief press mention. According to a Chungking report, Wang has obtained the government's permission to go to Europe and will be given a tourist passport. He will be accompanied by Mrs. Wang and Tseng Chung-ming, his secretary.

A Japanese report stated that Wang had joined the Fascist bloc and was being given a subsidy to carry on intrigues in China. Miss Wang Wen-ping, Wang's daughter, was alleged to have secretly arrived at Hongkong from Hanoi, bringing with her instructions from her father to his followers. She would also called on Lin Pai-sheng, Wang's secretary who was seriously injured when attacked by two assailants.

Hsia Ko, chief secretary of the puppet Hangchow City Government, was named by the Japnaese as acting "Mayor," succeeding Ho Tsan, who was recently assassinated.

All the estates belonging to Fu Hsiao-an, "Mayor" of Shanghai, in his native town, Chinhai in Chekiang province are reported to have been confiscated. A committee is being organized by representatives of various public bodies at Chinhai to administer Fu's property.

As a result of the abolition of the so-called "consumption taxes," the Shanghai "city government" is experiencing serious financial difficulties. Nanking promised to give Fu a monthly subsidy of $400,000, but failed to keep the promise. In order to raise the necessary funds to pay the salaries of the puppet officials, Fu is proposing to levy a "land tax" or "business tax," in areas under his control.

Ma Liang, "governor" of Shantung, was reported to have been dismissed from his post and Tang Yang-tung, Finance Commissioner of Shantung, appointed his successor.

Questions in Diet

Answering interpellations in the Diet, the Japanese War Minister, Lt.-Gen. S. Itagaki, reiterated the assurance that Japanese troops would be stationed in China for a long time in order "to build a new order in East Asia." He declared that the army's attitude in this regard would not be affected by issues concerning the rights and interests of third powers in China.

Baron K. Hiranuma, Japan's prime minister, told the Diet that Japan could not be induced to deal with the Chinese Nationalist Government in Chungking, even should General Chiang Kai-shek "repent." He said that it was "too late" for the Kuomintang Government to seek a deal with Japan. According to Hiranuma, the National Government has already been reduced to a "merely local regime," not deserving to be dealt with.

The respective jurisdictions of the Asia Development Board and of the Foreign Office in cultural matters relating to China were defined by Sho Kurihara, director of the Bureau of East Asiatic Affairs in the Lower House. According to Kurihara, scientific research units, cultural organs and business relating to Japanese students in China and Chinese students in Japan, will be placed under the control of the Foreign Office.

On the other hand, Kurihara said, Japanese schools to be established in China for the education of the Chinese, and those schools to be established in Japan for the instruction of Japanese who want to engage in activities in China, will be controlled by the Asia Development Board. In addition, research organs for the study of Chinese politics, economics and culture will also be within the Board's jurisdiction.

According to a spokesman of the Foreign Office, liaison departments of the Asia

Development Board will soon be set up in four cities in China, namely, Peiping, Tientsin, Houho and Shanghai.

Anti-Comintern Conference

An anti-Comintern conference is scheduled to be held in Japan in September, according to a *Domei* report. The conference is expected to be attended by delegates from cultural, religious and economic organizations in Japan, Manchukuo, Mongolia, China, Siam, India, Burma, French Indo-China and the Philippines.

Anti-war sentiment is growing within the rank-and-file of the Japanese troops operating in China, according to Chinese intelligence reports received at Chungking. Frequent mutinies are reported to have occurred in Japanese garrisons in various occupied districts.

Anti-war slogans are also said to be frequently posted on the walls of the Kiangnan Dockyard in Shanghai. In the dockyard, more than 100 Japanese are employed. Recently many of these workers were drafted for service at the front, thus causing a war-scare among their comrades.

The reported mutiny of some 3,000 Japanese troops at Taku, Tientsin, on January 21, was confirmed by a report received at Chungking.

More British Aid

Reports from London indicate that further British financial aid to China will be forthcoming. According to the *Daily Mail*, when the Export Credits Bill comes up for further consideration in Parliament, it is likely that a British loan to China will be granted. The paper suggested that a government-backed private banking loan might eventually be placed in London.

Addressing the China Society of America in New York, Nelson T. Johnson, American Ambassador to China, declared that the Chinese people were high in morale and their leadership was confident of final victory. Mr. Johnson said that he felt he was running more risk crossing New York streets than during the past year and a half he spent in war-torn China. One conviction he had gained since the outbreak of the Sino-Japanese hostilities, he asserted, was that "bombers do not win wars." Mr. Johnson described his overland trip from Chungking to Burma over the new military highway as a "magnificant tribute to what has been going on in China during the past five or six years."

The *Ta Kung Pao* at Chungking in a recent editorial proposed a three-year plan for the present war against Japan, in which China should train 3,000,000 soldiers. The journal supported the Government's decision to appoint a high military leader to take charge of training of fresh troops, but urged that better treatment be given new recruits and their families as well as wounded officers and men.

Gen. Hsueh Yueh, commander of Chinese Forces on the Hunan-Hupeh front, assumed his concurrent post as chairman of Hunan province on Feb. 1.

Gen. Sun Yuan-liang, former commander of the 88th Division and now an army commander, who distinguished himself in the defence of Shanghai in 1937, recently departed from Hongkong for Europe. Gen. Sun will tour various European countries to study the progress in their military systems.

500 Killed in Air Raid on Kweiyang

An estimated 500 casualties were caused Feb. 3 when Japanese army bombers raided Kweiyang, capital of Kweichow province, in continuation of the campaign of aerial terror embarked on by the Japanese command several weeks ago. A huge fire was started, thus adding to the terror, and thousands of people fled to the hills to escape the conflagration, which, fanned by a high wind, spread rapidly through the city. The Executive Yuan in Chungking has appropriated $100,000 for immediate relief necessities in the stricken provincial capital.

A fleet of 18 Japanese airplanes dropped more than 100 bombs, many being incendiary bombs, on various parts of the city. Many cultural institutions, including the Kweichow *Morning Post*, the Kweiyang office of the Central News Agency, and the Kweiyang branches of the Commercial Press, the Chung Hwa Book Company, the World Book Company, the Peihsin Book Company and the Kweichow Provincial Mass Education Institute, were bombed and destroyed.

The town of Wanhsien on the upper Yangtsze was bombed the following day, causing four huge fires in the business and residential districts and an unknown number of casualties. Another raid was staged Feb. 4 on Kinhua, provisional seat of the Chekiang Provincial Government. Seven bombs were dropped and 18 houses destroyed, according to *Kuo Min*.

Linhsien, until recently the provisional seat of the Kwangtung Provincial Government was raided Feb. 5 by a force of eight Japanese airplanes. Incendiary bombs destroyed several stores and schools and killed a number of people. The same day, Ishan, in northern Kwangsi, was raided, with heavy casualties resulting, *Kuo Min* reported. Tangyang, a city on the Chu River in central Hupeh, was the target of a Japanese aerial attack on Feb. 6.

Police Search Rooms of Japanese in Singapore

Resentment of Japanese residents in Singapore against the action of British authorities who ordered raids on homes and offices of Japanese there on Jan. 18 was increased by another police raid on hotels where two Japanese were registered on Feb. 1, according to a press message received in Tokyo. Japanese authorities already have filed a protest with the British authorities against the earlier raids.

Police visited the Oriental Hotel on Feb. 1 and searched the room of Mr. Tomihisa Kamura, an employee of the London branch of the Mitsubishi Shoji Kaisha, a large Japanese trading firm, who had registered there that morning after a trip to India. Mr. Eisuke Hirami, who returned to Singapore on the same ship, was summoned to police headquarters after his room in another hotel was searched, the message said.

'Purge' of Tokyo Imperial University Still Going On

The "purge" of the faculty of political economy of the Tokyo Imperial University, started recently, is still continuing under the urge of Gen. Baron Sadao Araki, Japanese minister of education, according to *Domei* reports. Swelling the list of professors and lecturers who had already resigned or been suspended, Dr. Saburo Nagao, another lecturer, resigned Feb. 3, while Dr. Masamichi, professor of the Law Department, intimated that he would resign at the end of the academic year on March 31.

Nippon Parties Will Ask Fisheries Action

"Drastic action" to safeguard Japan's fishing rights in Soviet waters will be demanded in a joint resolution of all Japanese political parties to be introduced in the House of Representatives Feb. 14, *Domei* reported on Feb. 7. The resolution will be introduced by Mr. Kozo Yamamoto and Mr. Ryukichi Tejirogi, of the Minseito, and Mr. Takeshi Azuma, of the Seiyukai.

Soviet troops "invaded" Manchukuo territory near Mengkosili Feb. 3 and fired on Japanese border patrols three times before they were repulsed, according to a *Domei* dispatch from Hsinking. The border clash was the second in three days. On Jan. 31, it was alleged, Soviet troops crossed the border and attacked a patrol unit and in the ensuing clash five Russians were killed and three wounded.

The Soviet version of the latter incident claimed that a Soviet frontier patrol of five men was suddenly fired on in the vicinity of Kailastuevskaya by a group of 18 Manchurian soldiers with rifles and machine guns. Seven Manchurians were wounded, according to Moscow reports, while slight wounds were sustained by a Soviet section commander.

A protest was lodged with the Japanese foreign office Feb. 2 by the secretary of the Soviet embassy in Tokyo, against alleged "discourteous treatment" accorded the embassy staff by Japanese officials. The Japanese foreign office, in turn, *Domei* said, asked the Soviet embassy to use its good offices to secure the release of the *Tsuruga Maru*, *Shirakaba Maru* and other Japanese vessels said to be detained by the Soviet authorities.

The Tokyo *Kokumin Shimbun*, commenting on the severance of Soviet-Hungarian diplomatic relations, charged that this was a move by the Moscow government "calculated to precipitate another world war," which, the paper said, had been the "unholy ambition" of the Soviet Union ever since its foundation. "The crafty diplomacy of the Soviet Union is taking advantage of the recent stiff attitude of Britain and the United States against Germany and Italy," it was stated.

Tientsin Chinese Asked to Pay Nippon Army Costs

Reports received here from Tientsin state that the Japanese authorities are threatening to blockade the British and French Concessions in Tientsin completely, if the big Chinese firms in the concessions refuse to contribute to the expenses of the Japanese army. It is reported that representatives of the Japanese military authorities have demanded $300,000. As soon as this money is paid, the reports add, the Japanese will remove all obstacles placed at the entrances to the two concessions.

Chinese in America Donate $100,000 to Government

The Chinese National Salvation Association in the United States has remitted $100,000 to the Military Affairs Commission in Chungking for national defence purposes. The fund was raised by public contributions from the Chinese communities in the United States. General Chiang Kai-shek, President of the Military Affairs Commission, has cabled a personal message of thanks to the Association, commending it for its patriotic effort.

Japanese Goods Now Dominate China's Markets

BY JOHN AHLERS

NOT all of Shanghai's business men realize the full extent of the hold which Japan has secured, as a consequence of her new conquests in China, on Chinese markets for foreign goods. The wider public here, and in particular in the western countries, appears to be still less aware of the present Japanese domination of these markets.

In December, 1938 about 46 per cent of all the imports of China consisted of goods produced in the Japanese Empire. In that month China imported, according to the Chinese Maritime Customs returns, goods worth:

From	
All countries	C.G.U.30,264,140
Japan proper	C.G.U.11,484,580
Korea	448,867
Formosa	200,255
Kwantung L.T.	1,641,142
Japanese Empire	13,774,844

The above import figures for all countries together include the imports of the areas controlled by the National Government from which Japanese goods, as a matter of course, are excluded. The imports from Japan thus are confined to the Japanese-occupied territories, and in these latter areas enjoy a much higher share of the total imports than in all of China. Made-in-Japan goods form approximately 65 per cent of the imports of the Nippon-controlled areas in China, *i.e.* their value is twice as large as that of the goods imported from all other countries combined.

The above figures are impressive. But still much more impressive are the findings of a detailed review of the situation as regards the various groups of commodities. The Chinese Maritime Customs divide China's total imports into 32 such groups. In not less than 21 of these groups, more goods are now being imported from the Japanese Empire than from all the remainder of the world. In two other groups, imports from Japan are higher than those from any other single country. In only nine groups are imports from Japan (although much increased) still of minor importance. These latter groups comprise goods of which Japan does not dispose at all, or which she does not produce in sufficient quantities to cover her own demand, or in the qualitative production of which she is decidedly backward.

Japan Seizes Lead

But in all the goods in which Japan is capable of full export competition, she has seized the lead in the China markets. This applies to cotton piece-goods, woollen textiles, artificial silk, machinery, metalware, fishery products, sugar, wines and spirits, other foodstuffs, paper, timber, woodware, chemicals, coal, chinaware, stone and earthenware, and sundry goods. As is obvious from this enumeration, Japan's exports to China are today extremely diversified and fight western goods in a great many fields.

Let us take a look at the situation in China's imports of textile goods. During the last month of the past year, China imported G.U.552,245 worth of cotton piece-goods whereof G.U. 361,970 came from Japan. The Nipponese share is 65 per cent. At the same time, of G.U. 506,793 of imported woollen goods, almost half, *i.e.* G.U. 249,563, came from Japan. Prior to the war, 70 per cent of the foreign woollens consumed in China came from the British Empire. Now the Japanese in China beat the British in the import of such specifically British export goods as woollen serges and venetians.

More important are China's imports of artificial silk floss and yarn (G.U. 562,273) and rayon piece-goods (G.U. 596,170), of which Japan alone contributed 82 and 99 per cent, respectively. Despite the Rome-Berlin-Tokyo "Axis," Nipponese rayon ousted Italian rayon from the Shanghai market almost completely.

Now it may be argued, by the spokesmen of Japan, that already prior to this war Japan had a strong position in China's textile imports. We will look into the situation in the metal groups, in which before the war the western countries had the undisputed lead in China's imports. We find that the Japanese share in metals proper has increased from 13 per cent in 1937 to 20 per cent in 1938, that it has risen in machinery from 35 to 62 per cent, and in miscellaneous metal manufactures from 16 to 54 per cent.

Of G.U. 2,781,772 worth of machinery imported by China in December, 1938, not less than G.U. 1,735,235 came from Japan. Japan is absolutely leader in Chinese imports of textile machinery, and even in such items as machine-tools. Much of this Japanese textile machinery is represented by idle spindles and looms transferred to this country from Osaka, it is true. But in common metalwares the Japanese have also seized the bulk of Chinese imports. In the following metalwares Japan today sells in China more than all other countries put together: needles, cutlery, scientific instruments, scales, balances, clocks, steel furniture, burning appliances, electric fittings, wire, accumulators, cables, bulbs, and flashlights.

Foodstuffs as Well

Foodstuffs form the largest group of commodities in China's present imports from abroad. Imports of foodstuffs in December, 1938, amounted to more than 20 per cent of the total value of China's imports. Also in this field, the Japanese have seized the bulk of the import business. Their import share increased in 1938, as compared with 1937, in fish and fishery products from 60 to 70 per cent, in cereals and flour from 23 to 70 per cent, in fruits and vegetables from 25 to 90 per cent, in sugar from 45 to 55 per cent, and in wines and spirits from 9 to 68 per cent.

To complete the picture, the following increases in Nipponese import shares in other groups of commodities may be noted:

	1938 %	1937 %
Chemicals, pharmaceuticals	44.00	16.50
Dyes, varnishes	20.00	10.00
Paper	65.00	13.50
Timber	46.00	13.00
Woodware	66.00	20.00
Coal	54.00	27.00
Glass, glassware	86.00	35.00
Stone, earthenware	60.00	30.00
Sundry Goods	53.00	15.00

All of the above figures illustrate the enormous extent of the commercial booty which the Japanese have harvested in China. They demonstrate, at the same time, the tremendous losses suffered by other countries in their former hold on Chinese import markets.

Of all the western countries, the shares only of France and Italy in China's imports increased a little. But the import shares in China of the following countries went down, as a consequence of the Japanese trade expansion in China:

	1938 %	1937 %
Argentina	0.12	0.14
Belgium	2.03	2.96
Canada	0.88	1.79
Czechoslovakia	0.78	1.01
Denmark	0.07	0.03
Finland	0.24	0.12
Germany	12.64	15.31
Great Britain	7.90	11.68
Luxemburg	0.04	0.48
Netherlands	0.52	0.63
Norway	0.40	0.55
Spain	0.01	0.02
Sweden	0.44	0.70
Switzerland	1.00	1.02
United States	16.93	19.75

The United States, Germany, and Great Britain together sell much less goods in China than the Japanese Empire alone. China's imports from Japan by far surpass those from all of Europe. Of these three western countries, the comparatively largest loss in the China markets was suffered by Great Britain. But it is an interesting fact that Germany, despite her close relations with Japan, lost more than the United States which never expressed any sympathies for the Japanese enterprise in this country.

The present Japanese domination of the Chinese markets for foreign goods is not the automatic result of the Nipponese military conquest. It would not have been brought about had it not been for a long series of arbitrary Japanese acts amounting to anti-western discrimination in China. That discrimination has been developed into an elaborate and highly efficient system whose outstanding features, at present are:

How Discrimination Works

(1) A customs tariff for the Japanese-occupied areas which specially favors Japanese goods;

(2) A regime of foreign exchange control in North China, reducing the amount of foreign exchange available for payment of imports from western countries, but hoarding foreign exchange for Japan;

(3) A system of control of foreign trade in North China which fights non-Japanese goods with import embargoes;

(4) The closure to western businessmen, and their agents, of large territories in which thousands of Japanese businessmen establish themselves;

(5) The seizure of all the communications by the Japanese who treat preferentially all sorts of Japanese business in the use of these communications;

(6) The transfer to Japanese firms or semi-official monopolies of industries, communications, etc. in the occupied areas, resulting in the loss of these formerly important clients to western countries;

(7) The inclusion of increasing parts of the occupied territories within the Japanese yen bloc.

Last, but not least, it has to be kept in mind that the Chinese Maritime Customs' trade statistics list all of the western countries' exports to China with the single exception of arms and ammunition, but not all of the Japanese commercial exports. Camouflaged as so-called military supplies, countless shiploads of Japanese commercial goods have been shipped throughout the past year up the Yangtsze River without customs examination or payment of customs duties. This huge amount of Japanese wholesale smuggling in China still remains to be accounted for.

Chefoo in the Grip of Japanese Monopolists

BY JOHN STERLING

A revolution in the export and import trade of North China was heralded early last month when the Japanese naval authorities in Chefoo and Weihaiwei announced the imposition of an exchange control at rates that would shortly compel foreign traders in the ports mentioned to cease business.

This system of control, which, when put into effect, would reduce foreign trade in Chefoo to a minimum or at the least compel shippers to certify their cargo through the Yokohama Specie Bank instead of the Hongkong and Shanghai Bank, was imposed on the city without previous warning.

It will be remembered that the Japanese authorities in Tientsin have in recent months endeavored to exercise control over foreign export and import trade, hoping thereby to make possible their ambitious dream of Premier Konoye's "Japanese Empire In East Asia." Present indications lead observers in Chefoo to believe that the same system of exchange control will shortly be enforced in Tientsin and Peking. Let us examine the birth of the present situation more closely.

Traders Apprehensive

Shortly after the occupation of Tsingtao by the Japanese last year, and the subsequent capture of Chefoo, Weihaiwei and smaller ports along the coast between Shanghai and Tientsin, foreign traders in these towns feared that it would not be long before the Japanese would attmept to usurp their business in China.

These fears were first realized some eight months ago, when the exchange control restrictions, as mentioned above, were imposed in Tsingtao, resulting in the almost complete paralysis of foreign business in that city.

Not to be so easily vanquished, however, the business houses in Tsingtao, through agreement with their dealers, diverted their export trade through other channels not yet subjected to these restrictions—namely Chefoo (principally) and Weihaiwei. This had the effect of making Chefoo, previously second to Tsingtao in importance as the leading port between Shanghai and Tientsin, a thriving center for the major portion of Shantung's export and import activity.

The Hongkong and Shanghai Banking Corporation, through which all the foreign houses in Chefoo negotiated their transactions, flourished, while the shipping firms of Butterfield and Swire and Jardine, Matheson did a roaring trade in freightage. One of the members of the Chefoo Chamber of Commerce told the writer that business in the city in 1937-38 was more than doubled.

This encouraging state of affairs could not continue for long without Japanese cognizance, but though the occupation of Chefoo occurred as early as February, 1938, no move in any direction to subject foreign trade to the present restrictions was made until nearly 12 months later.

A better conception of how drastically effective—as regards foreign trade—this control is, may be realized by quoting from a circular letter distributed in Chefoo recently:

"All future shipments or imports, both inland and coastal, can only be permitted under the following conditions:—

"1. To apply for permits from the 'Vessels Federation Bureau' before shipping or landing, on which the bureau in question have notified the public that a fee of one per cent will be charged on expensive cargo and a fee of one-half per cent on ordinary cargo.

"2. In the case of shipping, documents must be certified by the Yokohama Specie Bank, or the Federal Reserve Bank of China (whose notes, incidentally, are now the only legal tender in Chefoo) that payment of such exports have been remitted to Chefoo through these banks. Otherwise, the Japanese authorities will not issue the permits mentioned above. They will not accept certification issued by the Hongkong and Shanghai Banking Corporation.

"3. The rate of exchange current in these two banks (that is, the Yokohama Specie Bank and the Federal Reserve Bank) will be charged as follows:—(a) 28½, on New York; (b) 1/2d. on London; (c) 65 on Shanghai (that is, Shanghai N.C.$1,000 equals Chefoo Federal Reserve Bank notes $650)."

Under these new exchange rates prices will have to be raised by nearly 40 per cent in Chefoo to maintain export trade at its 1938 level—a procedure which is tantamount to the cessation of foreign markets, as much of last year's prosperity was due to the favorable rate of exchange for export trade, namely, the Hongkong and Shanghai Bank's sterling rate of about 8½d on London).

The immediate prospect, therefore, is gloomy, not only for the foreign business houses in Chefoo, but for the local branch of the Hongkong and Shanghai Bank, and the two main shipping concerns, Butterfield and Swire and Jardine, Matheson. Export trade on the terms dictated by the Japanese will be reduced to a negligible quantity in the near future.

At the time of writing, business is virtually at a standstill, the Japanese authorities being remarkably vague in their communications on the subject of control and the foreigners adopting a "wait-and-see" attitude.

One other point, however, is of immediate importance. That is the procedure with regard to contracts signed by local houses prior to the Japanese imposition. In this connection the Chefoo Chamber of Commerce have approached the authorities with a view to a compromise, and it is hoped that all orders on the books at present will be permitted fulfillment on the old basis of exchange.

To this end, a questionnaire has been addressed to all firms in the city, asking them to describe present contracts and the merchandise which those contracts cover, the quantities of such merchandise, and the sale price in Federal Reserve currency. They are also asked to submit proof of contracts, state destination of the cargo, date of shipment, date of arrival at destination, details of transhipment, and also indicate the method of financing the shipments.

Other instances in which the Japanese have endeavored to hinder foreign trade are the frequent mutilations in telegrams—mutilations that leave no doubt of their deliberate purpose—and the difficulty put in the way of obtaining lighter and coolie service.

On several occasions vessels from Shanghai and Tientsin have been delayed for one or two days through this inconvenience. The s.s. *Solviken*, chartered by Ching Kee, was in port for over a week while its cargo was unloaded at infrequent intervals. All mail to and from Chefoo, has, of course, been subjected to strict censorship, Shanghai letters occasionally being delivered as late as two weeks after posting.

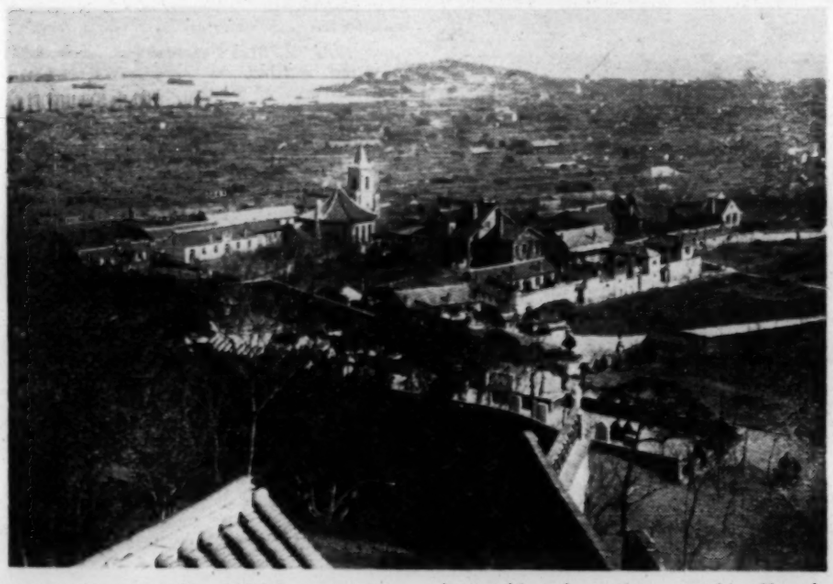
Shanghai notes, though secretly in demand, cannot be negotiated openly, and are subject to a large discount.

At the time of writing the ban has been temporarily lifted by the Japanese and shipping permits granted without difficulty on application, after answering the questionnaire given above. Observers believe, however, that this freedom of movement will exist only until the early part of February, when certification through the Yokohama Specie Bank, at the exchange rates mentioned previously, will become imperative.

Meanwhile, steamer service between Chefoo and Shanghai and Chefoo and Tientsin is most irregular, several of B. & S.'s and Jardine's bigger ships skipping the Shantung port on their way from Tientsin to Shanghai. This has caused considerable alterations in the normal sailing schedule between these cities, with resultant inconvenience to both passengers and shippers alike.

Shortly after the occupation of the city an Italian Consulate was established in Chefoo for the first time in the port's history. This move has caused some bewilderment in foreign circles as there are only three Italian famileis in the city. A large Japanese consulate building has also been erected, a modern edifice that has shot up rapidly in a few months.

A Panoramic View of Chefoo



Britain, France Seek Deals With Franco

WITH the armies of General Franco moving toward the complete occupation of Catalonia, and with the early complete collapse of the Loyalist cause seemingly in view, the British government is hastening to make a deal with the victorious Spanish faction on terms designed to safeguard British interests on the Spanish peninsula.

Sir Robert Hodgson, visiting agent to Burgos, is about to return to his post with instructions, according to the *Havas* agency, to offer General Franco a loan, to be secured on Spanish customs receipts, provided the fascist general agrees:

1. To repatriate all foreign volunteers in nationalist Spain and to recognize Britain's position in Gibraltar.

2. To compensate British shipowners whose vessels have been destroyed or damaged in Spanish ports.

The loan would be utilized for reconstructing Spain, and is to be made on the further condition that orders for materials for such reconstruction be placed in Britain, London circles state.

Emulating the British move, France has dispatched a Senator, M. Leon Berard, to Burgos "to gather information and make contacts." Interviewed at General Franco's headquarters, M. Berard expressed his delight with the "warm welcome" extended to him by the Nationalist authorities and paid a tribute to the "intelligence" of General Jordana and of Senor Los Monteros, Franco's under-secretary for foreign affairs.

The Government Flees

European observers believe it is now only a matter of time before Franco secures formal recognition from all the major states. The entire Spanish Loyalist government has fled across the frontier to France, thus adding to the demoralization and hopelessness of the Loyalist cause. France has already received more than 150,000 refugees, civilians and soldiers, who have entered France from Catalonia. Another 150,000 were expected to cross the frontier, thus saddling France with a major relief problem. Concentration camps are being erected for the men. Women and children are being dispatched to various points throughout the country.

Refusing a Loyalist request for an armistice, General Franco has announced that he will accept nothing less than unconditional surrender by the remaining Loyalist troops and the handing over of remaining Loyalist territory. Both the British and French governments are reported to be striving to end the Spanish civil war in order to avoid further useless bloodshed. In some quarters it is hinted, however, that the moves of the two powers are dictated by a desire to reach an agreement with Franco and thus prevent Italo-German domination of the Iberian peninsula when the war reaches its end.

Addressing a meeting of the Council of Action in London Feb. 3, Mr. David Lloyd George predicted that "German and Italian forces will not leave Spain until France and Great Britain accept, in substance, the demands made upon them."

He said that the Government had allowed the British Lion to be trapped.

"Guns on the Straits of Gibraltar and the Pyrenees, and airdromes on French lines of communication in the Balearics and the Bay of Biscay, secure for the dictators strategic superiority of the first order over Great Britain and France," he declared.

'The Shape of Things to Come'

—*St. Louis Post-Dispatch*

According to a Havas dispatch on Feb. 1, Prime Minister Neville Chamberlain is ready to discuss the transfer to Germany of her former colonies, provided Hitler agrees to sign a convention for limitation of armaments. The British government, moreover, will not change its Spanish policy, nor attempt to do anything about Italo-German intervention in Spain's civil war, because Prime Minister Chamberlain is convinced that General Franco's victory is certain, and that Franco "will not tolerate the continued presence of foreign soldiers on Spanish soil once the civil war is over."

Two More Soviet Chiefs Disappear

M. D. Berman, Soviet Commissar of Posts and Telegraphs, has disappeared according to a *Transocean* message from Moscow Feb. 4, his post being taken by his former deputy, a man named Yarzev. Berman, says the agency, was at one time an aide of Henry Yagoda, G.P.U. chief who was executed last year after confessing at a demonstration trial that he had poisoned, or attempted to poison, several prominent Soviet personalities.

Another Soviet commissar who has done the disappearing act, *Transocean* reports, is M. F. Boldyrev, head of the Public Health Commissariat, who was only appointed to his post in August, 1937.

While Soviet high officials apparently continue to disappear, the forthcoming 18th congress of the Communist Party of the Soviet Union, due to open March 10, will consider abolition of "Mass party purges." Reason for this is said to be that, despite past purges, "enemies of the people" still managed to secrete themselves in the party ranks, while many honest members suffered unjust persecution.

The party congress will also decree the granting to ordinary members of the privilege of "openly criticizing the highest party officials." Moreover, secret party judgments are to be outlawed and replaced by individual hearings at which members accused of sins against the party may personally defend themselves.

Kuangson Young Speaks For Chinese in the P.I.

A plea for continued benevolent treatment of the Chinese inhabitants of the Philippine Islands was made by Dr. C. Kuangson Young, Chinese consul-general at Manila, in a speech delivered at a reception attended by provincial governors and city mayors of the Philippines, and held in the Oriental Club at Manila on Jan. 23.

Dr. Young pointed out that more than 100,000 Chinese are settled in the Islands and contributing by their hard work to the economic well-being of the people among whom they live and trade. All they asked, he said, was protection and fair treatment, both of which had been accorded by the provincial and city administrations.

Speaking of the war in China, the Consul-general said his country's unity and determination in the struggle had become "a Great Wall through which the alien invader, despite his tanks, dreadnoughts and bombers, has not been able and will never be able to pass."

Madame Chiang Attacks Corruption, Urges Probity in Official Circles

"TO build a new, strong, unified China it behooves us all to engage in intensive introspection, to be scrupulously honest in our estimate of our past shortcomings, and to acknowledge frankly our past mistakes with a view to correcting them in the future," wrote Madame Chiang Kai-shek, China's First Lady, in an article published in the New Life Movement supplement of the Chungking *Daily News*.

On Feb. 4, the Federation of Women's Clubs of New York City awarded a gold medal to Madame Chiang "for her indomitable courage and leadership in the crisis in her native land."

The text of Madame Chiang's article, in which she enjoins China's citizens "to engage in intensive introspection" in order that they may apprehend their duty to the nation, follows:

"When the Greek philosopher Socrates impressed upon his students the injunction 'Know Thyself,' he undoubtedly meant that they should make an impersonal, cool, objective self-analysis as a method and means of self-improvement. To build a new, strong, unified China it behooves us all to engage in intensive introspection, to be scrupulously honest in our estimate of our past shortcomings, and to acknowledge frankly our past mistakes with a view to correcting them in the future.

Slackness a Habit

"We are the product of our own performances. Slackness which was permitted in the past has, in the flight of years, developed into a strangling national habit. If our nation seems to have been internationally circumscribed we have no one to blame for it but ourselves. If a new China is to arise out of the blood and the ashes of the old one, those who accept positions of responsibility must awaken to the understanding that they have automatically undertaken positions of trust and the definite obligation to devote all their energy, their thought, and their care to the interests of the people and the state. Those who are unable to do this should resign.

"To save China from the consequences of this war, character is essential. There must be intellectual honesty, general integrity, and, above all, sober common sense; there must be, indeed, actual wisdom. As personal conduct is the matrix in which character is cast we have it in our own hands to develop our moral excellence by reforming our lives, revitalizing our attitude of mind toward our individual and collective duties, and so develop an efficiency which will contribute to the effective resurgence of our entire nation. If we cannot carve our way to salvation we are not worthy of our heritage.

"Any man who is in a position of authority, even if he is able to do but a little good, should be inspired and be glad and eager to do that little, if only to escape the charge of being incompetent or of deliberately neglecting at a time of crisis the welfare of his country and his people. On the one hand, strict accountability for actions judged to be contrary to the popular good should be imposed upon all who accept office and payment for services on the pretense of being able to fulfill important national duties. On the other hand, penalization should be expected by all who hold any position or who draw money of any kind from the National Treasury if they are guilty of dereliction of duty. Approbation should be the minimum reward for all who acquit themselves competently and honestly.

"It is the duty of each of us to clear our national records of the old stigma of dishonesty and corruption. Close upon the heels of corruption is always cowardice, the hand-maiden. And we must never forget that it was the evil combination of corrpution and cowardice that was solely responsible for the disgrace and humiliation and territorial losses which were inflicted upon us in 1894. We have the chance now to wipe that ignoble stain from the pages of our history. The gallant soldiers at the front who are giving up their lives that we shall be safe are already obliterating it.

Awarded Gold Medal

Madame Chiang Kai-shek

Peculators Are Traitors

"Only a traitor to whose cheeks could not come a blush of shame would betray the trust of those brave men by using his safety to divert to his own pockets directly or indirectly, funds intended for national purposes or for the pursuance of our resistance. All of us who are in the rear should leave no stone unturned to see to it that all money as well as all effort are applied to the full to the cause for which our civilians are suffering and our soldiers are dying. We must do that not only because the fate of our whole nation is at stake, infinitely more so than it was in 1894, but because we want it inscribed in history that we are honorable and that we are courageous.

"What we have suffered in the past was expressed by Edmund Burke when long ago he wrote that 'corruption loads us with more than millions of debt; takes away vigor from our arms, wisdom from our councils, and every shadow of authority and credit from the most venerable parts of our constitution.' Is there any one of us who wants a repetition of the bitter lesson we have had? Echo surely answers 'No.' Then it is more than ever imperative that every official should be compelled to keep ever before him the important fact that the monies he handles, or the monies he accepts from the National Treasury, belong to the state, and come, one way or another way, from the people.

"No one accepting office should forget, or be permitted to forgot, that since he is paid from funds coming from the people he is the servant of the people. All his actions should be guided by that knowledge; should be stimulated by the promptings of unimpeachable integrity and should be directed to the immediate as well as to the ultimate service of the people. Into the depths of oblivion must be case the corroding assumption of olden days that the officials are the masters of the people. Out of the flame of freedom must come the acknowledgement that the people who pay the taxes are deserving of good and honest government, and must at all costs be accorded that to which they are entitled.

"If good and honest government is accorded the people, the people will be prosperous. If the people are prosperous the state will be rich. If the state is rich the state will be peaceful and strong. If the state becomes rich, and peaceful, and strong, then a new China will have emerged, like her fabled phoenix, from the embers of the fires that have burned her, and will, in all truth, have achieved the destiny embodied in the prophetic word 'RESURGAM'—'I shall rise again'."

Tokyo, Mukden Linked by Underground Phone Cable

Service on what is claimed to be the world's longest underground telephone cable will open between Tokyo and Mukden, a distance of 2,700 kilometers, on Feb. 20, it was announced in Tokyo last week. Plans call for the further extension of the underground cable to Hsinking and to Peiping soon. Wireless telephone service has already been operating between Hsinking and Tokyo, while overhead wires have been used for telephone service between Mukden and Osaka for some time.

Historical Significance of the Mass Migration to the Southwest

BY T. C. CHEN

Editor's Note—The author of this article has just returned to Shanghai from an extensive trip into the interior which took him through the provinces of Kwangsi, Kweichow, Hunan, Hupeh and Szechwan, where he was able to observe the mass migration into the provinces of China's Southwest. He sets down here his personal observations and indicates the significance of the migratory stream for China's future, especially in the light of historical precedent.

THE Japanese invasion of China has brought calamitous woes to the Chinese people. It has destroyed property, caused large-scale unemployment, dispersed and scattered the population. By the most barbarous means it has disrupted, and in some places wiped out, the economic and cultural life of the people and forced vast numbers to migrate, especially to the southwestern provinces. The mass migration, however, has its positive sides. The influx of refugees into the Southwest will give a powerful impulse to the life of that area. Economic and cultural changes are, indeed, already noticeable. The process will be accelerated in the future. This aspect of the Japanese invasion is one deserving the attention of all who wish to follow and understand what is taking place in China today.

If you travel to Szechwan by way of the middle and upper sections of the Yangtsze River, you will have to pass through Ichang, which stands at the entrance to the Yangtsze Gorges. You will find that city crowded with hundreds upon hundreds of people, waiting for ships to take them farther west into Szechwan. When I arrived there the city was packed with migrants. Some of them had been waiting one and even two months for transportation west. All hotels and inns were filled to overflowing with these people and their impedimenta. Food prices were sky-high.

Should you prefer traveling to Szechwan by automobile, you can proceed in three different ways: from Kunming, the capital of Yunnan; from Hengyang in Hunan; or from southern Kwangsi. Whichever route you take, you will encounter on the highways innumerable trucks driving north, filled with migrating people going to Chungking and other inland towns. So great is the number of migrants that all hotels and inns along the routes are usually filled at night. If you arrive at a town in the early evening, you will be fortunate if you find a place to sleep. Trucks proceeding southward, however, are usually empty or half empty. Few people are leaving the Southwest for other provinces. The stream of migration flows *to* the Southwest.

Well-to-do Migrants

Finally, depending on your destination, you reach Kweiyang, capital of Kweichow province, or Chungking, temporary seat of the Chinese government. One of the first things to arrest your attention in either city is the fact that all the theaters, dance halls, tea rooms and restaurants are filled with well-dressed men and women of the modern type—men in foreign-style clothes, women in high-heeled shoes and with permanent waves. They are as conspicuous by their numbers in these interior cities as on the big thoroughfares of Shanghai or Hongkong. If perchance you arrive late at a movie house, you will not be able to obtain a seat. These first impressions cause one to reflect on the contrast they afford with the miserable lot of China's soldiers at the front.

It is a fact which my observations confirmed—that a majority of the people who have fled to the southwestern provinces are in fairly comfortable circumstances as compared with the masses of refugees. Nevertheless, there are not a few coolies, poor peasants and hawkers among the migrants. I saw petty merchants accompanied by their wives and carrying their children to the backward districts of southwestern Hupeh and Szechwan. In Chungking, I met a coolie working on a ferry boat, his infant son in a basket beside him. He had gone to Chungking after Japanese bombs had killed his wife and his mother somewhere in Anhwei province. In Kweiyang, I saw many poor people engaged in building houses for rich or well-to-do refugees. These workers had fled from Honan, Hupeh or Kiangsi and reached Kweiyang by hitch-hiking. They are most welcome to employers, because they are

In China's Southwest

These are four princesses of the Miao tribe in Kweichow, referred to in the accompanying acticle.

stronger, more energetic and more skillful than the local laborers, whose physique and mental powers have been destroyed by opium-smoking.

Along the highways and in the hotels the traveller can always meet up with students, many with books in their hands. Where are they from? Where are they going? Formerly they were enrolled at universities in Peiping, Tientsin, Nanking, Wuchang, Hangchow, Shanghai and Canton. These universities have been removed to various places in the southwestern provinces. The students are following their alma mater. They are intent on finishing their studies.

Mankind always finds a way of continuing its development, even when the stream of progress is interrupted by cruel events. Under the stress of such events human ingenuity is brought to its highest pitch. It often succeeds in achieving what in normal times might take decades or even centuries to accomplish. China is living through a period of catastrophes visited on the country by the warlords of Japan. But is it not conceivable that the migration of hordes of refugees to the backward Southwest will exercise a vital influence upon the course of Chinese history? It would indeed be strange if it did not.

Signs of Change

The Southwest, and especially the province of Kweichow, is the most backward region of China proper. It leads a semi-barbarous existence. A majority of the people still live by methods appropriate to a bygone age. Primitive agriculture and handicrafts are the keynote and substance of economic life. They determine the cultural level of the people. But already the fast-flowing tide of migratory thousands has stirred up the murky waters of this ancient mode of existence. There is now an embryonic machine industry, destined, it seems, to develop on a large scale in the near future. Will this not become a great factor in the future life of the Southwest? The beginnings of change are already discernible.

Over the greater part of the Southwest, relations between the sexes were always strictly regulated according to ancient, encrusted standards of conduct. Custom forbade two people of opposite sex to walk together down the street. The freer sex relationships which developed in eastern China during the past thirty years scarcely penetrated the backward Southwest. Only a very few of the young people adapted their conduct to modern ideas. But the war, bringing with it mass migration, also brought along the new ideas. In not a single one of the larger towns of the Southwest is it now considered strange for wives and husbands, or young men and girls, to walk along the streets arm in arm. The old and hateful feudal customs in this domain are being destroyed. Two years ago, in some of the southwestern towns, there were no public bath-houses for men, let alone women. Now even the smallest towns have such conveniences for both men and women. In a word, the tide of migration has already destroyed, as by a stroke of lightning, some of the ancient feudal customs and taboos. It cannot be doubted that the process will continue.

University professors and instructors, and middle-school teachers, are the cream of intellectual China. Large numbers of them have swarmed into the Southwest and they have brought a great number of students with them from other provinces. They will learn greatly about the conditions in the Southwest, on the one hand, while on the other they will undoubtedly exert a good influence on the young people in that vast region.

Tribal System Threatened

It is important to remember that the Southwest is a region inhabited by various small tribes of aborigines. In Kwangsi are to be found the T'ung and Yao tribes, as well as others. Kweichow province is the home of the Miao. In Yunnan are the Lolo and Yehjen. In the dim past these tribes inhabited central and south China. Chinese pressure drove them gradually to the mountainous regions of the Southwest, where they continued living the primitive life of semi-barbarians. During recent centuries, the Chinese population of the Southwest continually increased. Chinese power in the region increased correspondingly, threatening the livelihood of the aborigines, who continued to cling to their ancient mode of life. Today's tide of migration is a more serious threat. Not only are the old tribal institutions of rule in jeopardy, but the tribesmen are now faced with direct economic competitors—coolies and poor peasants from China's stricken provinces. How is the stream of Chinese migrants going to affect the future of the southwestern tribes? This is an interesting and important question.

Throughout Chinese history there have been many mass migrations, resulting in the elimination or absorption of some tribes by others. Each of these migrations had a profound effect upon the course of Chinese

history. In 307-312 A.D., during the period of the Western Ch'in Dynasty, a branch of the Hunnu tribe invaded the Yellow River Valley. Thousands of Chinese were incontinently slaughtered by the barbarian invaders. Many towns were laid waste and the capital of the Ch'in Empire was captured. The Chinese people abandoned their old settlements and migrated south to escape the fury of the Hunnu, settling below the Yangtsze. It was thus that the Chinese people established themselves in this part of the country.

In 1126 A.D., during the period of the Northern Sung Dynasty, the valley of the Yellow River was again invaded—this time by the K'in tribe from the Northeast. They seized all the lands on the northern bank of the Yellow River, occupied the dynastic capital, and made the Emperor captive. Unable any longer to live securely in their old habitat, large numbers of Chinese moved southward, thus furnishing a stream of new life which was to prove a powerful factor in the further development of South China. It was at this period that the lake city of Hangchow, so loved by Marco Polo, came to be established.

The Outlook Today

These two migrations are famous in Chinese history. What were their results? On the one hand, a great impetus was given to further and more vigorous development of lands of the south, the southeast and also, in part, the southwest. On the other hand, with the lapse of time, the Chinese who remained in the Yellow River region assimilated the tribes who had conquered them.

Today, the Japanese invaders are driving large masses of the Chinese people to the Southwest. What effect will this migration have on the course of Chinese history? It may be predicted that the results will be similar to those which followed from the ancient migrations we have cited. China will develop backward territories, and, although Japanese civilization is higher than the present-day civilization of China, while the K'in and Hunnu tribes were more backward than the Chinese in their time, Japan will, because of the world situation, ultimately fall captive to China.

Americans Opposed to Return of German Colonies

Eighty-five per cent of the American population are against the return of her former colonies to Germany, a popular referendum carried out by the Institute of Public Opinion revealed last week.

The question asked was: "Should the colonies taken away from Germany following the Great War be returned?" Only seventeen per cent of those asked replied in the affirmative. The same question asked a year ago revealed 76 per cent of the answers against and 24 per cent for.

According to the Institute, most of the people voting against declared that Herr Hitler would not be satisfied and would ask for more.

Japanese Plan to Erect Fortifications in Hangchow

Defense fortifications will be erected by Japanese garrisons around Hangchow to make the city invulnerable from attack on all sides, the *Tairiku Shimpo* reported Feb. 7. Surrounding mountains and lakes, together with the new fortifications, will afford the city complete protection, and enhance its strategic importance, the daily commented, adding that mopping-up operations around Hangchow have been progressing during the past month, with the cities of Yuhang, Sinshihchen and other points in the vicinity having fallen into Japanese hands.

Chinese Mills Starved for Raw Material as Japan Takes Crops

In identic telegrams to the Ministries of Finance and Economics, Mr. Yu Ya-ching, prominent local businessman and chairman of the board of directors of the Ningpo-Shaoshing Cotton Transportation Company, has asked for special permission to ship cotton from Ningpo and Shaoshing to Shanghai to meet the needs of the Chinese cotton mills.

Mr. Yu declared that certificates can be obtained to show that these exports of cotton to Shanghai are not for the enemy but for Chinese mills, and expressed the hope that the authorities will give special permission for the export of cotton from Chekiang to Shanghai. At present 240,000 bales of cotton valued at $10,000,000 are stored in Chekiang, ready for exportation to Shanghai.

Ten Chinese, 4 British and 24 Japanese cotton mills are now operating in Shanghai. The Chinese mills operate a total of 354,272 spindles, 31,360 looms and 1,700 weaving machines, the British mills operate 40,976 spindles, 3,650 looms and 3,265 weaving machines, while the Japanese mills operate 1,114,316 spindles, 290,824 looms and 14,554 weaving machines. Products of the Chinese mills are exported to the southwestern provinces, British products are consumed by local British weaving mills, while the Japanese products are dumped in the Japanese occupied areas.

Chinese cotton mills in the Japanese occupied areas refused to cooperate with the Japanese and it is reported that most of the machines of these mills have been removed lately by the Japanese.

Over 90 per cent of China's total export of cotton in 1938, which was valued at $100,000,000, went to Japan. The following table gives the amounts exported to different countries in 1938:

Country	Quantities in Kung Tan	Value
Japan	963,837	$71,079,723
Kwantung	184,311	13,702,931
U. S. A.	89,035	6,660,693
Chosen	68,143	5,025,396
Germany	40,234	2,995,845
Hongkong	5,009	389,220
Australia	2,701	206,161
Great Britain	1,462	106,074
France	1,588	125,174
Formosa	1,180	89,667
Other countries	8,170	635,917
Total	1,356,622	101,003,224

Cotton Autarchy Planned

Aiming at a cotton autarchy in East Asia, the cotton manufacturers in Japan, Manchukuo, and China will be united into a league under the name of the Cotton Industry Conference of Japan, Manchukuo, and China, *Domei* reported last week.

Formal discussion of problems was to have taken place at a committee meeting of the Japanese Cotton Mill-Owners Association in Osaka on Feb. 7. Plans for the league were originally presented at the Economic Conference of cotton industrialists of the three countries which met in Tokyo last fall.

Aiming to increase annual cotton production in Kiangsu, Chekiang and Anhwei provinces to 5,000,000 piculs within 10 years, the Ministry of Industry of the "Reformed Government" has mapped out a plan for the establishment of a Cotton Production and Distribution Control Commission, a *Domei* message from Nanking stated.

Other plans being considered by the Ministry include the establishment of a cotton industry research institute; the creation of a cotton workers' training class, and the enlargement of the Central Agricultural Experimental Area and the improvement of its equipment. These plans will be carried out under the joint supervision of Japanese and Chinese experts, the report stated.

Fire gutted three warehouses belonging to the Mitsubishi Warehouse Company at Sakuraiima on Feb. 6. Damage was set at Yen 3,500,000. Destroyed in the blaze were 16,439 bales of Indian raw cotton, 2,145 bales of cotton cloth destined for export and 2,238 bales of ordinary cotton cloth.

Yenching Students Made Prisoner by Japanese Army

Arrests of Yenching University students on trumped-up charges by Japanese military authorities in Peiping, were alleged in a letter circulated among alumni of the institution in Shanghai last week.

The letter asserted that at least four students of the University had been taken prisoner by the Japanese.

One of the four students was held for one month. Before he was released, Japanese military officers were alleged to have applied the "third degree" to the youth. Fortunately, the letter said, the health of the victim has not been seriously affected by the "cruel treatment."

Another student was arrested by the Japanese on December 22 while he was lying ill in a city hospital. All efforts to obtain the release of the student by the University proved futile, the letter stated.

Officials of the University stated according to the letter, that none of the students taken prisoner by the Japansee had violated regulations of the University by participating in activities of a political nature.

Kuling Foreigners Must Leave, Japanese Declare

A virtual ultimatum to the foreign colony in Kuling, Kiangsi mountain resort, to evacuate by Feb. 10 so that the Japanese army might open an unrestricted attack on Chinese troops remaining in the area, was delivered last week to the senior consul in Shanghai for transmission to interested members of the Consular Body. On Wednesday of this week, apparently in response to official representations by diplomatic spokesmen for the interested powers, the Japanese authorities announced postponement of the evacuation deadline for an unspecified period. Kuling's foreign colony now numbers 65 persons, including 37 Britons, 12 Americans and nine Germans. The U.S.S. Oahu, Yangtsze River gunboat, left Shanghai for Kiukiang early this week, on an undisclosed mission. The trip was believed to be connected with the Japanese demand for evacuation of Kuling's foreign colony.

Gen. Wang Teh-lin, Famed Volunteer Leader, Dies

General Wang Teh-lin, veteran commander of Chinese volunteers in Manchuria, died in Sian on Jan. 30 as the result of an old ailment, according to a belated report received in Chungking and published locally by the *Wen Hui Pao*. The late General Wang was hailed as a hero in Manchuria, when he raised the banner of struggle against the Japanese shortly after the Mukden Incident in 1931.

Isolationists Attack Roosevelt's Remarks Before Senate Committee

A battle between the isolationists in America and those who have tended to fall in with the firmer course in foreign policy now apparently being pursued by the Washington government, was precipitated last week by statements attributed to President Roosevelt by the New York *Herald-Tribune* and the New York *Times*. At a meeting with the Senate Military Affairs Committee, according to these papers, the President asked members of the committee to regard France (or the Rhine) as the actual frontier of America in "the apparently inevitable 'show-down' between the democracies and the dictatorships."

The Committeemen, according to the *Herald-Tribune*, were pledged not to disclose what the President had said, including a statement that the President would go to every possible length short of war to back the European democracies in any conflict with the dictatorships. But certain Senators, irritated by the pledge, disclosed to the newspapers what had taken place.

Another remark attributed to the President, was that while he did not expect to see the day when American troops would be sent to fight on foreign soil again, the United States must do everything it could to "save England and France."

On Feb. 4, three days after the reports appeared, President Roosevelt bitterly denounced the American press, charging it with circulating stories that were "pure bunk" concerning American defense and foreign policies. U. S. foreign policy, he said, had been fully covered in his messages to congress and remained unchanged. This virtual denial failed to placate the totalitarian press of Europe, which had opened vigorous broadsides against Rooseveltian foreign policy and charged the President with being a war-monger. The Italian *Stefani* agency said the denial came "rather late" in view of the fact that it was made four days after Roosevelt's alleged statements had been circulated throughout the world and discussed. The *Giornale d'Italia* pointed out that all leading American newspapers had confirmed the original reports.

Rumored Alliance

Rumors flowing from the President's alleged remarks came thick and fast. One such rumor was to the effect that a secret military agreement had been concluded between the United States and France. This brought a denial from the French ambassador to Washington, Count de Saint-Quentin, who said that France desired nothing more than a pact of amity with the United States.

Ex-President Herbert Hoover severely criticized President Roosevelt's foreign policy, which, he said, was bound to involve the United States in war. Referring to Roosevelt's attack on "aggressor nations," Hoover asked: "Shall we be the judges in disputes which began long before our nation was born?" He pointed out that a large part of the present territory of the United States had been gained by "aggression" and that the same applied to a large portion of the territories of the British and French empires.

Republican Senator Hamilton Fish accused the President of seeking to jettison the traditional American policy of neutrality, non-intervention and peace. Roosevelt, he charged, was trying to discover a reason for breaking with this traditional policy, "just as he has sought to break with every other American tradition." The result of his course would be to involve the United States in military alliances and warlike entanglements. Nine Republican members of the Senate's Foreign Affairs Committee issued a manifesto demanding that the American public be kept fully informed of every development in the country's foreign policy and calling for public opposition to every program which, pursued in secret, might involve the country in war.

The New York *Times* and the *Herald-Tribune* both demanded discontinuance of secret diplomacy, the latter paper declaring that the experiences of the World War, which ended in America being dragged into that conflict, should constitute a serious warning for the present. The commander of the American Legion said: "We cannot influence the destiny of other nations through declarations of might or by an imperialistic policy. Both are far from the American ideal."

Which Hand?

Fitzpatrick in St. Louis Post-Dispatch

Washington observers predicted a lifting of the ban on arms exports when the Neutrality Act comes up for revision in May. According to *United Press*, President Roosevelt hopes to obtain complete enactment of the national defense program before attempting to seek amendment of the Neutrality Act, because of a desire to avoid debate on foreign policy simultaneous with consideration of the defense program.

According to the Institute of Pacific Relations, the value of American arms shipments to the Far East, including both China and Japan, are falling off heavily. In the case of China, the decline is attributed to the cutting of lines of communication. In the case of Japan, the decline is explained, first, by pressure brought to bear on the State Department to halt shipments of airplanes to Japan, and secondly by the growth of demand for American airplanes by countries other than Japan.

The *Asahi Shimbun*, in an editorial on Feb. 4, attacked America's recent decision to supply 600 war planes to France. By aiding the democracies against the totalitarian states, the paper said, President Roosevelt may "accentuate the rivalry among European powers."

Fate of Crew of Sunken Nippon U-Boat Unknown

On Monday of this week six men were still alive in the submarine 1-63 of the Japanese Navy which sank in the Bungo Straits Feb. 2 after colliding with another submarine, according to the Navy Ministry in Tokyo. The fate of 81 others in the ill-fated U-boat was unknown, the statement said.

Japan's Navy concentrated salvaging equipment in the choppy waters of the Bungo Channel, separating Kyushu and Shikoku, in a race with time as divers sought to save the crew of the submarine.

Reich's China Barter Agency Said Doomed

While believing that liquidation of the agency was inevitable, Chinese circles in London said last week that they had no confirmation of reports that "Hapro," a German organization formed in Hongkong to barter for the Chinese government's wood oil, wolfram and other ores to the extent of C.N.$100,000,000, was about to be closed down. This was according to a *Reuter* report.

While it is believed that China has obtained some consignments of arms and munitions under the barter agreement, Chinese quarters in London say it has proved anything but satisfactory to their country. They allege that the German payments consisted of large consignments of pocket-knives and other mass-produced articles which Germany was unable to sell elsewhere and which were useless to China.

Regarding the allegation that the barter agreement enabled China to keep up prices in the open market, the same circles point out that there is no need for this to be done since wood oil is wholly, and wolfram largely, an exclusive Chinese product, and the demand for both of them is worldwide irrespective of any German agreement.

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Japan Seeks Barter With Seven Countries

Negotiations for the conclusion of compensation agreements or barter system trade agreements were going on with Germany, France, Finland, Venezuela, Argentina, Paraguay and Uruguay, a spokesman of the Tokyo Foreign Office announced Feb. 4. Replying to an interpellation during a budgetary debate in the House of Representatives, the spokesman said similar agreements already had been concluded with Turkey, Italy, Poland and Australia.

Movement on Foot to Canonise Columbus

Among the Roman Catholics of Nationalist Spain, according to statements made in Rome last week, a strong movement is now on foot to induce the highest ecclesiastical authorities to canonise Christopher Columbus. For this purpose, a passionate appeal has been made to the Episcopacy of Spain and South America, *Transocean* reported.

In a petition presented to Pope Pius, it is recalled that under Pope Pius XI the canonical process for the canonisation of Christopher Columbus as the first Christian missionary to the New World had been begun and that the Eucumenical Council of the Vatican had taken up the matter. No decision was reached at that time because great uncertainty prevailed about the exact origin of Christopher Columbus.

Documents whose existence came to light in the last few days now permit, however, an exact record of his life to be compiled so that the historical department of the Congregation of Rites, stated the organ *La Corrispondenza* which is in close touch with the Vatican, will now be able to make rapid preparations for the canonisation procedure.

Significance of the Madras Missionary Conference

BY M. T. RANKIN

WHAT significance has the Madras Missionary Conference for China and the Far East? What did this conference do that will be of interest to the average man and women living at a time when the world seems to have gone mad? Approximately five hundred delegates from more than seventy nations met together for eighteen days at Madras, India, to study and think about what Christians and the Christian Church can do to give help to the people of the world who are so earnestly looking for a way out of the troubles that have enveloped us.

This conference was more fully world-wide in its membership than any other gathering ever held of the Protestant Christian Church. One-half of the delegates came from countries of the Far East, Africa, Latin America, and the Islands of the Pacific Ocean. Forty-nine delegates were from China, twenty-four from Japan, and more than sixty from India. The China delegation was conspicious in its marked ability. Numerous expressions of opinion by delegates from other countries, particularly those of the West, placed the Chinese delegates in the forefront of the leadership of the conference.

People in all parts of the world have been interested in this meeting at Madras. If there was ever a time when the help of the Church was needed in the life of the world, that time is now. The world-wide representation of the delegates and the recognized ability of many of them placed the conference in a position to have something significant to say. The meeting assembled under the glare of present world conditions. In his opening address at the first session, Dr. John R. Mott, chairman of the conference said:—

"But we have assembled at one of the most fateful moments in the life of mankind. Not in our lifetime, if at any time, have Christians come together when so many peoples were bearing such impossible burdens, or undergoing such persecution and suffering. When has there been a time when the world was so rent by international misunderstandings, bitterness and strife? When have we been called upon to witness such startling relaxing of traditions, sacred sanctions, and established law and order? When in the lifetime of men now living was the very atmosphere across the world so surcharged with suspicion, fear and uncertainty?"

Points of Departure

Scarcely a single delegate came there who did not have in his mind as the starting point of his thinking the questions: What is Madras to do about the conditions that exist in this world today? What are we to do about the Sino-Japanese conflict, the conditions in Europe, the persecution of the Jews, the breakdown of moral and ethical integrity in America, England, and throughout the world? How can the Church make itself an effective force for peace and goodwill, for justice and righteousness in such a world as we live in today? All of the thinking of the conference, as they studied for two weeks in sectional groups the Church in its relation to the world under sixteen different subjects, and as they met in full plenary session to consider together these questions which are so crucial in the life of the Church, was done under the glaring light of such questions as these.

What did the Madras conference do and have to say about these things?

Our first impulse was to pass some strong resolutions boldly condemning those who are wrecking the world. For most of us, this would have cost little, and would have brought us a considerable amount of personal satisfaction and public applause. Journalists and newspaper reporters over the world were waiting for such resolutions to be flashed over the wires and to be spread on the front pages of great daily newspapers. But the conference did not do this. It did pronounce strong condemnation of glaring evils that overshadow the life of mankind today.

"We condemn the effort to impose the will of one people upon another by force, and especially the invasion of the recognized territory of one people by the armed forces of another. Responsibilities for aggression and oppression must be borne by all who derive profit therefrom. Justice requires the progressive elimination of the domination of one people by another. Where government of one people by another exists, its goal should be that the people so governed come freely to order and control its own life.

"God has made all peoples of one blood. No race can therefore disregard the interests of other races. Racial persecution is particularly abhorrent. The Church should exert its influence on the side of all movements working for the full and equal sharing by all races in the common life of mankind. In doing this the Church must purge its own life of any racial discrimination. We call upon Churches and individual Christians to do whatever is within their power to help in the solution of the acute and tragic world problem which has arisen as the result of the persecution of the Jewish race in many countries."

It did call on the Church to bear courageous and unflinching witness against the destructive forces that are rampant in the world today.

"In this time when brute force stalks the earth the Church is summoned to bear courageous and unflinching witness to the nations that the base purpose of men, whether of individuals or of groups, cannot prevail against the will of the Holy and Compassionate God. She is commissioned to warn mankind of the judgment which shall assuredly overtake a civilization which will not turn and repent. She is under obligation to speak fearlessly against aggression, brutality, persecution and all wanton destruction of human life and torturing of human souls. Recognizing that Christ came to open to all the way to life abundant but that the way for millions is blocked by poverty, war, racial hatred, exploitation and cruel injustice, the Church is called to attack social evils at their roots. She must seek to open the eyes of her members to their implication in unchristian practices. Those who suffer from bitter wrong she is constrained to succour and console, while she strives courageously and persistently for the creation of a more just society."

No Solutions Offered

But these pronouncements were not offered as solutions for the evils condemned in them. The times are too serious to attempt to attack the evils that are about to destroy us by methods which apply to the surface. They must be attacked at their roots. The conference realized that the Church as such can confront these issues only on the basis of its faith in God. The Church is different from any other society or organization among men. Its only basis of judgment is the kind of faith it has in God. Its standards of ethical and moral righteousness have weight only as they are based on and are produced by such faith. The only effective solutions the Church has to offer for the ills and sins of this world are in terms of that faith. Certainly, if the Church has no faith in God, it has nothing to offer a distressed world at such a time as this.

Therefore, the Madras conference, confronted the critical issues which exist in the world today by re-affirming its faith in God's plan and way for achieving righteousness among men.

"Man is the child of God, made in His image. God has designed him for life in fellowship with Himself and with his brothers in the family of God on earth. Yet in the mystery of the freedom which God has given him, man chooses to walk other paths, to seek other ends. He defies God's will. He seeks to be a law unto himself. This is the deepest cause of the evil and misery of his life. Alienated from God he seeks his salvation where it cannot be found. He stands ever in need of conversion, of forgiveness, of regeneration, impotent to save himself.

"Who then shall save? God saves, through Jesus Christ our Lord. God so loved the world that He gave His only begotten Son that whosoever believeth on Him should not perish but have everlasting life. This is the heart of the Christian Gospel, the Gospel which we proclaim.

"The Church's message to the world is the Lord Jesus Christ Himself in all His mainfold grace and power. It is the work of evangelism so to exalt and proclaim Him, crucified, risen and glorified, that men may awaken to God and to a sense of their sin and separation from God, may be led to true repentance and to that act of will whereby they believe in and receive the forgiveness of their sins through Christ and enter upon a new life of trust and obedience toward God and of abounding hope for this world and that which is to come."

These quotations taken from reports of the conference indicate the basis upon which the Church must approach the evils among men. These evils are to be changed

World Chaos as Seen By Humorists

Drawing the Map of Europe.

—*Richmond Times-Dispatch*

Wanted: Loose-leaf geographies.

by changing men, and men are to be changed by being brought into living relationship with God through faith in Jesus Christ. This is the age-old faith by which the Church lives. Through the past centuries it has again and again been declared inadequate and irrelevant to the needs of the kind of world we live in. There will be not a few people who will express keen disappointment today that at such a critical time in the life of mankind the Madras conference failed to offer to the world a more dependable way out. But in my opinion it was precisely the critical seriousness of the present time that caused the delegates to the Madras Conference to reaffirm this faith with a depth of conviction which perhaps has not been known by the Church as a whole within the past several decades. The Church has no other solution to give the world, and its failure to meet the need of the world can be marked by its efforts to offer some other way.

Was Conference Futile?

Men of today will say, however, that it will do mankind no good for five hundred delegates assembled at Madras, India, to pass resolutions about their faith in God if those resolutions are to become no more than verbal or written affirmations. With this judgment the conference vigorously agreed. We cannot ignore the fact that the faith which the Church affirms is *not* effective in the life of this world, that in spite of all that the Church has preached and taught, there is little peace and good-will among men in our day. But the failure of the Church to meet the needs of the world is not to be found in its failure at Madras or elsewhere to pass resolutions of judgment on the evil-doers among us. This failure is to be found rather in the fact that so many people who call themselves Christians and who are members of Christian churches have failed to *be* Christians in the way they have lived with their fellowmen.

Therefore, the conference sought to confront the evil about us today by a call to repentance on the part of the Church and an unequivocal demand that men and women who call themselves Christians must make real and effective, in the way they live, the faith they profess.

"But we must come in penitence to the feet of God. In the presence of these disasters and forebodings we see the judgment of God's righteousness upon our society; but we see also His judgment upon our churches, so enmeshed in the world that they dare not speak God's full word of truth unafraid, so divided that they cannot speak that word with full power, so sullied by pettiness and worldliness that the face of Christ cannot be clearly discerned in them, or His power go forth through them for redemption.

"Looking to the condition of the world today and its sore need of all that is offered in Christ, the Lord and Savior of men, the Council urges upon all the members here assembled to search diligently their own hearts and lives for the things in themselves that make the word of God of none effect, and to wait upon God that He may forgive and show Himself to them in the fullness of His power. The Council further ask all the members to carry back to the Churches from which they come an earnest call to face frankly the hindrances to the spread of the Gospel that arise out of the life of the Churches themselves and to lay these burdens constantly before God, so that He may cleanse and renew His Church and fit it to do His will in the world as the instrument for a yet greater extension of His kingdom."

And thus it is that the Madras conference, in confronting a world that is sorely in need of immediate help has taken the way that seems long and vague, the way that leads through repentance, and regeneration. But in doing this they have followed the way that Christ chose when He was tempted to take a short cut to righteousness. The Conference called on the Church in the strength of its revived faith and in the sincerity of a repentant membership to confront the world anew with God's message of righteousness.

"This, therefore, is no era for marking time or for the expediency of waiting for a better day. God is calling His Church to go forward."

"We stress the fact that nothing in the present world situation in any way invalidates the Gospel. It is still the power of God unto salvation.

"In a world of struggle and competing ideologies we emphasize again the urgency of this hour. World peace will never be achieved without world evangelization. The early Church was martyred for its faith that 'Jesus Christ is Lord'. Most countries of the world are marked by graves of missionaries of many lands, races, and colors, who gave their lives in a glad confession of Christ as Savior and Lord. The enterprise we have undertaken has been costly in suffering and martyrdom, but it has been characterised at every stage by a manifestation of the Spirit demonstrating the power of God in human lives and human relationships. In this new day men are no less heroic then in previous generations. Millions give themselves gladly for Nationalism. Can the Church summon Christians everywhere to a new adventure for the Kingdom of God? Can it give youth a new version of the purpose of God for the world? Can it challenge men to live dangerously for the sake of the Gospel? Perils increase and "safety first" cannot be the watchword in this hour. Every fact of the world situation is an appeal to the Church to advance. We summon the Churches to unite in the supreme work of World Evangelisation until the kingdom of this world becomes the Kingdom of our Lord."

Patriotic Terrorists Kill Three 'Traitors'

Three Chinese working, or believed to be working, for the Japanese authorities in Shanghai met death this week at the hands of patriotic terrorists who in all cases managed to fire their death-dealing bullets with merciless accuracy and then to make good their escape.

On Monday of this week, Chien Hwa, bespectacled Chinese journalist who was formerly "star reporter" for the *Shun Pao*, and who since December, 1937 has been Chinese advisor to the Japanese-controlled Press Censorship Bureau, was fired at and mortally wounded as he rode in a ricsha to his office in the Hardoon Building on Nanking Road.

The victim, with bullets lodged in his skull, abdomen and hand, died within two hours of the attack. His assassin, a lone gunman, suspected member of the "Traitor Extermination Corps," made an easy getaway. Chien Hwa covered the Shanghai battle in 1937 for the *Shun Pao* and was editor of the evening edition of the paper. When the Chinese troops withdrew from Shanghai, he quietly joined the Press Censorship Bureau. It was alleged that he had actually begun his connections with the Japanese while "covering" the war as a newspapermen.

Puppet Official Killed

Patriotic terrorists claimed two more victims on Tuesday, the dead men being Chow Chi-tang, director of the Kiangsu-Chekiang Joss Money Tax Bureau and counsellor of the Ministry of Finance of the Nanking "Reformed Government," and Koo Ping-tsung, believed to be a Japanese agent.

Two gunmen fired at Chow as he was riding to his office along Sinza Road, killing him instantly. They then pinned a piece of paper to his clothing, reading "You are a traitor," and escaped in leisurely fashion. Koo was shot and killed on the crowded first floor of the Kwan Sun Yuan Restaurant, Nanking Road, within three hours of Chow's assassination.

A strange feature of this third shooting was the fact that Koo was killed by two of seven guests whom he had apparently brought to the restaurant with him. In the midst of the meal he left the table to use a telephone. Two of his "guests" followed him. As he finished dialing, one fired a shot which killed him instantly. The pair rushed out of the restaurant and escaped, likewise the five other "guests" who had been left at the table.

Gangsters, and not patriotic terrorists, performed a fourth killing on Wednesday of this week, when they shot Tung Chi-kao, detective attached to the Jessfield Station of the Public Safety Bureau of the Japanese-sponsored City Government of Greater Shanghai. Three gunmen accosted Tung near his home at Yashingli, off Brenan Road, fired three shots at him and then escaped. The shooting took place in Japanese-controlled territory.

In connection with the three earlier shootings, the *Tairiku Shimpo* published strong criticism of the Shanghai Municipal Police. Pointing out that none of the assassins had been apprehended, the paper accused the S.M.P. of not being sincere in their efforts to run the terrorists to earth.

Britain Now Playing For Soviet Friendship

Following an apparent suspension of recent moves for a rapprochement between Soviet Russia and Nazi Germany, via a trade or barter agreement, *Havas* reported from London on Feb. 4 that the British government has instructed Sir William Seeds, new ambassador to Moscow, "to devote all his efforts to Anglo-Soviet political and economic rapprochement."

Britain's decision is said to have been taken due to fears of an imminent Soviet-German accord and a general about-turn in Soviet foreign policy, which hitherto has been based on the principle of "collective security" in conjunction with the democratic powers.

Moscow, *Havas* stated, will henceforth be informed speedily of any British government initiatives, whereas up to the present time the Soviet government was always the last to be informed or consulted.

Soviet-Hungarian Break

Claiming that Hungary had virtually lost its independence and was submitting more and more to dictation from Berlin in its foreign policy, the Soviet government severed relations with Budapest on Feb. 2. The Japanese embassy in Moscow has taken temporary charge of Hungarian affairs in the Soviet capital.

In proclaiming the break, Moscow attacked Hungary's recent decision to adhere to the Anti-Comintern Pact, a step which it said "cannot be justified by the interests of the Hungarian state itself, which by no means coincide with the aggressive aims pursued under the guise of this pact by its participants, in the first place by Japan."

Direct Shanghai-Japan Radio Service Due Soon

Direct radio telephone communication linking Japan with Shanghai and Nanking, and Shanghai with Hankow and Dairen, will be started early in April when the Central China Telecommunication Company will open a 10-kilowatt radio station at Chenju in the Shanghai suburbs, the Shanghai *Mainichi* reported this week.

Reconstruction work on the Chenju radio station is progressing and is expected to be completed within the next month. Opening of the station will mark another step in the development of the Japanese Central China radio communication service, the daily remarked.

At present all radio telephone communications to different parts of Japan from Shanghai originate from the company's station on Linching Road and are transmitted to Tokyo, where they are relayed to their final destination. The Linching Road station is only equipped with a two-kilowatt transmitter and the company has been overtaxed with requests for service, the *Mainichi* reported.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

January 22

Reports of the granting of a £3,000,000 British loan to China hailed by Chinese at Chungking; **Central Daily News** expresses belief that more positive assistance to China from Great Britain may be forthcoming.

Dr. C. T. Wang, former Chinese Ambassador at Washington, who arrived at Chungking today, declared that American assistance to China would increase as a result of stronger resistance now being put up by the Chinese, and also as a result of increased Japanese discrimination against American trade in China.

Abolition of Chungking Office of the Generalissimo's Headquarters ordered; to become effective Jan. 30.

"The morale of the people in Hunan is probably higher today than it has been at any time since the war began," said Raymound Kepler, American Presbyterian missionary from Hengyang in interview with **The China Press.** Every day the people are becoming more determined to resist the Japanese advance, he declared. Training of farmers has become a major activity in Hunan areas.

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January 23

Chinese and Japanese forces in Hupeh, to the West of Hankow, now opposing each other in the vicinity of Sanlitieng. Sanlitieng is west of Chingshan, which is occupied by the Japanese.

Fuyang and Yuhang, two important cities near Hangchow, recaptured by Chinese troops, which are said to be encircling the Chekiang capital.

30,000 inhabitants reported leaving Chungking daily in order to escape possible Japanese air bombings.

Commenting on speeches made in the Diet by Japanese Premier and Foreign Minister, Chinese press at Chungking declared that the speeches only served to increase Chinese determination to continue their resistance and bring about a further collaboration between Great Britain, the United States, France and Soviet Russia in the Far East. The **Ta Kung Pao** said: "The only effective method of shattering the enemy's schemes is to defeat them on the battle field. We must be prepared to fight."

National Government said to have appropriated $5,000,000 for the establishment of a National Industrial Co-operative Society, with headquarters at Chungking.

Japanese spy, claiming to be the Japanese consul stationed at Hanoi, French Indo-China was arrested at Chennankwan, on the Kwangsi-Annam border and escorted to Chungking for examinations. The Japanese was arrested while seeking information regarding Chinese military activities in southern Kwangsi, particularly transportation routes.

Hu Wen-hu (better known as Aw Boon-haw), Chinese millionaire industrialist of Singapore, made large donation to National Government for establishment of 500 primary schools in Yunnan, Kweichow and Szechuan for education of refugee children.

Appointment of Gen. Chiang Kai-shek to the concurrent post of President of People's Political Council officially announced by National Government. Gen. Chang Chun, Vice-President of Executive Yuan, appointed to the concurrent post of Secretary-General of the Council, replacing Dr. Wang Shih-chieh.

Ho Tsan, puppet "Mayor" of Hangchow, his wife and four other persons seriously injured in attack by two unidentified gunmen who broke into the puppet official's house. The assailants escaped.

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January 24

Reorganized Chinese air force in recent days raided Japanese positions in Hangchow, Northern Kiangsu, and Liuchitang, southeast of Huangmei in Hupeh.

Japanese troops north of Canton captured Huahsien on Jan. 21 and are continuing their advance northward along Canton-Hankow Railway. Some 2,000 Japanese troops landed on Waichow Island, opposite Pakhoi. Gen. Yang Yung-Jen, Garrison Commander of Hainan Island, stated that the Japanese had so far made no attempt to land on Hainan.

French Government requested to release 400 trucks ordered by China from the United States, which are detained by French authorities at Haiphong, Indo-China. Chinese negotiations being conducted on basis of Sino-French Agreement of 1930.

"Japanese pride has been hurt by the ability of the Chinese to prolong their resistance, but the Japanese find consolation in the contention that Japan is not fighting China alone, but all the foreign powers," declared William Henry Chamberlain, Far Eastern correspondent of **Christian Science Monitor** in Japan during interview with **The China Press.** Mr. Chamberlain now visiting in Shanghai.

Baron K. Hiranuma, Japan's premier, declared in the Lower House yesterday that Japan was prepared to take resolute counter-measures against any Power invoking economic sanctions against her. Tokyo newspapers attack British and American attitude towards Japan's China policy.

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January 25

Three Japanese warships damaged in vicinity of Waichow Island, opposite Pakhoi, on Jan. 23, when Chinese planes bombed a concentration of Japanese warships and transports there. Waichow Island reported occupied by Japanese naval detachment.

Loyang, Honan, heavily bombed by Japanese aircraft yesterday, causing some 50 casualties; Sweidish mission damaged.

Dr. H. H. Kung, President of Executive Yuan, announced that arrangements had been concluded between Chinese Government and British Imperial Air ways for through passenger and mail air traffic between China and Europe via Yunnan and Burma.

Gen. Tsai Ting-kai, former commander of 19th Route Army and at present guerilla commander in Kwangtung, arrived at Chungking to report to General Chiang Kai-shek on activities of guerillas.

Gen. Chao Tung, former Commander-in-Chief of Chinese volunteers in Manchuria and now directing Chinese guerilla forces in Western hills near Peiping, declared at Chungking that Chinese guerillas in North China were growing daily in size and strength. The guerillas under his immediate command now totalled 24,000, operating mainly in the vicinity of Peiping.

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January 26

"Japan must fail in her adventure in China because her military tactics, political activities and foreign policy have all been wrong," declared General Chiang Kai-shek in his opening address at 5th Plenary Session of Central Executive Committee of the Kuomintang, now meeting at Chungking. "On the other hand," the Generalissimo said, "China must win, but she must not, under any circumstances, compromise with or surrender to Japan."

Fifth Plenary Session of Kuomintang Central Executive Committee decided to create Supreme National Defence Council with Gen. Chiang Kai-shek as Chairman, and Frontier Ministry to enhance political and economic development of border provinces.

Chinese Communist Party wired message of congratulations to the C.E.C. Session, renewing pledge of support to the Kuomintang and General Chiang Kai-shek. The message endorsed the statement made by Gen. Chiang that "China must not, in any circumstances, compromise with or surrender to Japan."

Group of 50 foreign volunteers reported to have arrived at Chungking, most of them being aviators and experts in machanized warfare.

Ho Tsan, puppet mayor of Hangchow, who wsa attacked by two unknown gunmen on Jan. 22, died from wounds received.

About 80 Chinese students from various universities and colleges in Peiping were arrested in past week by Japanese gendarmes on charge of being communists; fate unknown.

More than 40 Soviet motor trucks, carrying full cargoes of military equipment, and a number of Soviet officers, reported to have arrived at Sian, capital of Shensi.

Residence of Miss K. Franklin, of English Baptist Mission at Sian, badly damaged by bomb during severe Japanese air raid on the city on Jan. 18, according to **Reuters** report. Miss Franklin escaped unhurt by taking shelter in a trench dugout.

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January 27

Chinese claim successes on both Shansi and Hupeh fronts. Attempts of Japanese troops to clear the mountains in West Shansi of Chinese concentrations failed; after suffering heavy losses, the Japanese fell back in the direction of Tungpu Railway on Jan. 25. Chingshan, in west Hupeh, recaptured by Chinese troops on Jan. 25. Heavy fighting between Ichang and Shasi reported.

Commenting on statement made by Japanese Premier Baron K. Hiranuma in the Diet yesterday that it must take some time before a New Order in East Asia could be established, Chinese newspapers at Chungking saw it as an indication that Japan was no longer confident in the success of her China adventure.

Marshal Wu Pei-fu, former Chihli military leader, said ready to head a puppet regime at Kaifeng, Honan, according to Japanese report.

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January 28

Gen. Chiang Kai-shek cabled (yesterday) message to International Anti-Aggression League now meeting in London, asking for cooperation in fighting against the Japanese menace to world peace. The message declared that there was no limit to Japan's aggression, but China's resistance grew stronger as the war went on.

Seventh anniversary of Japanese hostilities on Shanghai in 1932 com-

memorated by Chinese residents in Shanghai; national flags flown at half-mast and all amusement houses closed for the day. Gen. Tsai Ting-kai, former Commander of 19th Route Army, which fought the Japanese, declared at Chungking that the 1932 war was a minor affair, on which no national policy could be based. He was sure of Chinese victory in the present war. Mayor O. K. Yui of Greater Shanghai, in a statement issued at Hongkong, urged Chinese people of Shanghai to redouble their efforts in overcoming present national emergency, under the leadership of Generalissimo Chiang Kai-shek. Mass meetings commemorating the occasion were held at Chungking, Chengtu, Kunming, Kweilin and other cities.

Domei Fabricates Story On Sutsien Air Attack

An echo of an incident which took place last November 5, when Japanese airplanes attacked an American mission hospital at Sutsien, town situated on the Grand Canal in northern Kiangsu, and killed one of the Chinese inmates of the institution, was heard last Sunday when the *North-China Daily News* published a refutation of a statement put out by the Japanese *Domei* news agency on Dec. 6.

The *Domei* report said that "American authorities who had protested against the attack were reported to have admitted that the Japanese action was justified when it was proved that the Japanese army planes were forced to fire on the building when Chinese troops on the hospital premises started shooting." As a consequence, the agency said, the incident was brought to an "amicable settlement."

After the attack on the hospital, last Sunday's *North-China Daily News* report stated, three Japanese officers called at the hospital to investigate the affair. "Not one of them mentioned or suggested the presence of Chinese soldiers in the compound. That feature was added later, doubtless by some other person with a vivid imagination. The Japanese officers assured the American missionaries that the shooting was accidental and one of them in particular expressed regret for the unfortunate affair." At the request of this latter officer, the missionaries issued a statement, reading, in part, as follows:

"General —— has kindly visited us several times and has most courteously inquired into the matter of the machine-gun raking of some of our hospital buildings on November 5 and the killing of a patient. He maintains that this firing could not have been purposely aimed at the hospital, but that the hospital was hit by accident, and he has expressed regret. We accept his statement, though we must say the shooting was very inaccurate. As far as we are concerned we consider the incident closed."

Bridges Charges Sabotage in U.S. Airplane Factory

Allegations that large scale sabotage by Nazi agents and sympathizers was being carried out on planes built for the United States Government at the North American Aviation Company plants were made in a telegram sent to President Roosevelt last week by Harry Bridges, director of the West Coast branch of the Committee for Industrial Organization.

It was understood, according to *Havas*, that several members of the German-American "Bund" are implicated in this affair.

Meanwhile, certain quarters voice the possibility of similar sabotage having been responsible for the air crash in which a member of the French air mission, M. Chemidlin, met his death.

Steen Now Vice-President of President Lines

O. G. Steen, formerly vice-president and general manager of the Dollar Steamship Lines, in the Far East, has returned to Shanghai as vice-president of the American President Lines, in charge of the Orient. Mr. Steen went to the United States a year ago, with Mrs. Steen and their children, and was present in San Francisco when the U. S. Maritime Commission took over the ships formerly operated by the Dollar interests. Mr. and Mrs. Steen returned on the President Coolidge, first of the Pacific Liners to carry the emblem of the new Government-owned corporation. It was the second call of the Coolidge at Shanghai since the outbreak of Sino-Japanese hostilities.

While plans have not been announced, it was reported that there shortly will be an increase in the personnel of the head office of the company in Shanghai.

The intention of the Government to recover shipping supremacy on the Pacific was indicated in an announcement at Washington in January, stating that U. S. $100,000,000 will be expended on new ships. In April a school will be opened for the training of 3,000 new unlicensed and 3,000 licensed men for the merchant marine. Three new liners capable of carrying 1,000 passengers each, will be laid down this year for the trans-Pacific trade. Private shipping companies also will be aided in the expansion program, which, according to *United Press*, envisages the construction of 50 substantial merchant ships annually.

Eight Nanking Relief Workers Still Detained

Several weeks ago the Japanese military authorities in Nanking arrested eight Chinese who were members of the Nanking International Relief Commission. The eight who were arrested, and are still being held, had cooperated with the foreigners in Nanking in the creation of the refugee "zone" and in dispensing relief since that time. While the orders for the arrests were inspired by the Japanese, the actual arrests were made by the Chinese "Reformed" Government. At the same time all foreigners who were connected with the relief organization were warned to leave the city and never return. As soon as the action became known, the foreigners lodged a strong protest directly with the Japanese Army headquarters and succeeded in having the orders rescinded. However, the eight Chinese members of the relief organization are still being detained. The Japanese action has had a serious effect on the work of the relief committee.

Dr. Thomas Baty Gets Second Order of Merit

Dr. Thomas Baty, native of Scotland, who has been adviser in international law to the Japanese Foreign Office for 23 years was presented, on Feb. 1, with the Second Order of Merit by Emperor Hirohito. In addition, Dr. Baty was given an autograph album containing more than 300 names of famous writers, painters, actors and others, each signed personally as a token of appreciation for his long service to the Japanese Foreign Office. Dr. Baty has been given credit for the pro-Japanese attitude of Sir John Simon. It was claimed that Dr. Baty, who was personally acquainted with the British Cabinet officer, had sent him numerous secret memoranda which had been responsible for Sir John Simon's support of the Japanese point of view.

Who's Who in China

Gen. Sun Cheng, army officer; born at Chengtu, Szechwan, 1892; graduate of Paoting Military Academy, 1914; joined the Szechwan provincial army, 1915; regimental commander in Szechwan army, 1917; joined the Kuomintang, 1919; appointed division commander in Szechwan army, 1924; Garrison Commander of

孫震宇德操
Gen. Sun Cheng

Northwestern District, Szechwan, 1924-26; Vice-Commander of 29th Army of the National Army, 1931; Garrison Commander and Land Reclamation Commissioner of Northwestern District, Szechwan, 1933; Commander of 41st Army on the Shansi front, fighting against the Japanese, 1937; transferred to the Yangtsze front, August, 1938; promoted Commander-in-Chief of 23rd Army Corps, winter of 1938; now in active service on the Hunan front in Central China; address: Headquarters of 41st Army, Ku Chung Shi Kai, Chengtu, Szechwan.

Japanese Close Manchukuo Tobacco "Open Door"

The Manchukuo authorities on Feb. 4 announced that no permits will be granted for importing foreign leaf tobacco in 1939.

This announcement closely followed the recent decision of the Changchun puppets to establish a Yen 10,000,000 Manchuria Leaf Tobacco Company, which is to exercise a virtual tobacco trade monopoly in the Northeastern Provinces.

Cultivation of tobacco in Manchuria is to be extended this year. The output of tobacco in Manchuria last year amounted to 1,600,000 kans, 1 kan equaling 8.28 lbs. This output is now to be increased to 2,600,000 kans.

The additional demand for tobacco in Manchuria is to be covered by imports of Korean tobacco to the value of $560,000.

Fengyang in Anhwei Province will also become a leading tobacco-producing district under the jurisdiction of the "Reformed Government" when an expansion program of the new régime is carried out, a Chinese report said this week.

Five thousand mow of land in Fengyang will be devoted to the planting of tobacco soon. Necessary technicians and seeds will be obtained from Japan, the report stated.

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SHANGHAI OFFICE:

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SHANGHAI	Swatow	*Nancheng*	*Nankiang*
HANGHSIEN (Yungkang)	*Kongmoon*	Lanchow	*Tzeliutsing*
Ningpo	WUCHOW	*Tienthui*	*Nanpu*
Chuhsien	Kweilin	Kweiyang	*Mienyang*
AMOY	TIENTSIN	*Panhsien*	*Loshan*
Foochow	Peiping	KUNMING	*Kwangyuan*
Tsinkiang	NANCHANG	*Mengtsz*	*Santai*
Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Men and Events

Madame Flora Rosemberg, French barrister-at-law, is ill at the General Hospital, suffering from a mild attack of pneumonia.

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Mr. and Mrs. C. D. Culbertson have returned to Shanghai from a trip to the United States. Mr. Culbertson is connected with the brokerage firm of Swan, Culbertson and Fritz.

*

The American Export-Import Bank on Feb. 3 extended a credit of U.S.$6,000,000 to Poland for the purchase of American cotton and copper, according to *United Press* report from Washington.

*

Dr. Yen Te-ching has been elected by Rotary International as District Governor of Rotary Districts 97 and 98, including North and Central China. He succeeds the late Dr. Fong F. Sec, who died in October last year.

*

Mother Chao, popularly known as "Mother of the Guerrillas," arrived in Kunming last week from Hanoi. She was to call on General Lung Yun, chairman of Yunnan, to report on the activities of Chinese volunteers in the Northweast.

*

There was a considerable stir in Tokyo on Feb. 1 when the *Asahi* published a report from its correspondent in New York which stated that the Soviet's present five-year-plan called for the construction of 20 iron smelters in the Siberian Far East, combined with a program for a great expansion of production of military equipment.

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The Pan-American Trans-Pacific plane China Clipper, was slighly damaged in San Francisco harbor on Feb. 1 when an oil barge drifted against the plane's wing. The necessity of making repairs caused the plane to postpone its take-off for Honolulu for several hours.

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The Rev. Father Gherzi, director of the Siccawei Astronomical Observatory, will be awarded the French Concession's gold medal this year, according to report published this week. The Siccawei Obseryatory is responsible for the weather reports along the China coast.

*

Lincoln Ellsworth, American polar explorer, claimed American sovereignty over 4000 square miles of Antarctic territory, according to French *Havas* message from Hobart, Tasmania, where Mr. Ellsworth recently landed from an expedition to southern ice-lands.

*

The Tokyo *Miyako* reported on Feb. 1 that Prof. Paul Rusch of St. Paul's University, "who is a friend of Japan," will shortly make a trip to China at his own expense, in order to obtain information for use in "enlightening the American people regarding the situation." Prof. Rusch is scheduled to deliver 140 lectures on the situation in the Far East while he is in the United States.

*

The Chinese Catholic Vicar Apostolic of Nanking, Bishop Paul Yu-Pin, who has been in France for sometime, is departing shortly for the United States on a lecture tour. Bishop Yu-Pin was entertained in Paris by the Chinese Ambassador, Dr. V. K. Wellington Koo, on Feb. 3, upon which occasion the Bishop stated, in the course of an address, that Chinese guerillas are killing Japanese soldiers at the rate of about 20,000 a month. He said there are more than 4,000,000 peasant guerillas scattered over the country.

Miss Sally Ruth Benjamin, daughter of the late D. H. Benjamin and Mrs. E. Benjamin, was married to Stanley Roberts of Shanghai on Sunday afternoon, Feb. 5. The ceremony was performed at the rooms of the American Women's Club by E. S. Jacobs. The couple will reside in Shanghai.

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The Rev. Dr. John L. Caughey, who has been pastor of the Glen Falls, New York, Presbyterian Church, was expected to arrive in Shanghai this week to become Acting Pastor of Community Church. The Rev. John Minter, who has been pastor of the church for several months has resumed his work with the Presbyterian Mission at Soochow.

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The Rev. G. F. Easton, for 55-years a member of the China Inland Mission, died at the home of his son, the Rev. F. H. Easton, at Christ Church House, Ashleigh Road, Exmouth, England, on Dec. 30. Rev. Easton was 85-years of age at the time of his death. Aside from the son, he is survived by Mrs. Frank Parry who resides in Shanghai.

*

Major-General A. P. D. Telfer-Smollett, C. B., D. S. O., M. C., who has commanded the British Military Forces at Shanghai for several months, was scheduled to depart for England on Feb. 11. A special parade of Guards of Honor participated in by the various national forces in Shanghai, was held at the Race Course on the morning of his departure.

*

A bill was introduced in the Philippine National Assembly on Feb. 5 which was designed to strictly limit both Japanese and Chinese immigration into the Commonwealth. The measure would increase the period of residence for naturalization on the part of Orientals from five to 15 years. Prospective citizens are also required to have property to the value of Pesos 5,000, equivalent to U.S.$2,500.

*

The British Hongkong and Shanghai Banking Corporation is planning shortly to open a branch in the western district of the International Settlement. The bank operated a branch in Hongkew for many years, but due to the Japanese occupation, very little business has been transacted there, according to officials of the institution. The location of the new branch has not been announced but probably will be in the vicinity of Bubbling Well and Ferry Road.

*

Sir Henri Deterding, Netherlands-born oil king and financier and for many years head of the Royal Dutch Petroleum Company, died at St. Moritz on Feb. 4. He was 72 years old. He joined the Twentsche Bank in Amsterdam at the age of 16 and after six years resigned to join the Netherlands Trading Society. In 1897 he was appointed assistant managing director of Royal Dutch Petroleum Company, later becoming manager. The company, known here as Asiatic Petroleum Company, now employs 40,000 men.

*

Admiral Hiroharu Kato, 69-year-old veteran of the Russo-Japanese War, was in a serious condition after suffering a stroke of apoplexy, a *Domei* message from Atami announced Feb. 5. He served as chief gunner on the flagship *Mikasa* of Admiral Heihachiro Togo in the battle of the Japan Sea against the Russian fleet. He was naval attache to the Japanese Embassy in London, president of the Naval Staff College, a member of the delegation to the Washington naval conference, commander-in-chief of the Combined Fleet, chief of the Naval General Staff, and a war councillor. He is now on the reserve list.

A Chinese musical production entitled, "An Evening in Cathay," which was arranged by Mrs. Ernest Tong of Shanghai, is now playing at the Majestic Theater in New York. The performance was favorably reviewed by New York newspaper critics. The cast is made up entirely of Shanghai artists and was enthusiastically received by a full house on the opening night, according to reports from New York.

*

Denis Corrigan, convicted on a charge of conspiracy, in connection with a fraudulent deal in arms in Great Britain, was sentenced to two years' imprisonment. Two brothers named Willing, who were also involved in the case, were found not guilty and discharged. They were charged with "having conspired with a Chinese, one T. H. Chou, to defraud Theodore Lafitte, manager of a French arms firm, of the sum of £7,250. The jury made three attempts before reaching a verdict, according to a *Reuter* report from London on Jan. 31.

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W. D. Battershill, chief secretary to the mandate government in Palestine, has been appointed to the post of governor and commander-in-chief of Cyprus. The present governor of Cyprus, Sir Richmond Palmer, is retiring owing to having reached the age limit.

•

Dr. John Earl Baker, director of the China International Famine Relief Commission, has been appointed acting treasurer of the China Foundation for the Promotion of Education and Culture, in place of Charles R. Bennett of the National City Bank who is returning to the United States shortly. Dr. Baker has been a member of the Board of the Foundation for several years.

•

George L. Danzy of the Dollar Steamship Company has returned to Shanghai and will be connected with the President Lines in future. George J. McCarthy, formerly Oriental Passenger Traffic Manager of the Dollar Steamship Lines, who is now serving in a similar capacity with the President Lines, has returned to Shanghai from a trip to Japan, Manchukuo and North China.

•

Quentin Reynolds, associate editor of the magazine *Collier's*, who just returned from a trip to Germany, announced upon his arrival in New York that the Nazis were planning an extensive drive against the Catholic Church and Catholics generally. He said, however, that the drive was being delayed because the Nazis hoped that the German Cardinal Karl Joseph Schulte of Cologne, would be elected the next Pope.

•

Officials of the Universal Trading Corporation, a Chinese-American Company, with offices in New York and Chungking, denied on Feb. 5 that a loan of U.S.$15,000,000 was being made to China by an American corporation. The Universal Trading Co poration was recently granted a credit of U.S.$25,000,000 by the American Export and Import Bank. A spokesman of the company said that this loan had not been used up, hence he was not aware of a new loan.

•

According to a report of the Ministry of Education at Chungking on Feb. 4 a total of 53 Chinese educational institutions had removed to the interior of the country in order to avoid contact with Japanese aggressors. The report stated that of the remaining 41 schools in the country, 17 are being moved while 8 still remain in Japanese occupied areas, chiefly in foreign concessions. The Ministry had advanced $5,000,000 in relief of 13,943 teachers and 25,682 school boys and girls. Some 480 students were working in war area service corps.

•

Col. Alberto Rattos Ramos, chief of the Philippine Constabulary, who investigated the clash between Japanese fishermen and the Constabulary on Jan. 19, said the Japanese had resisted an attempt on the part of the Constabulary to search their boat. When the skipper of the Japanese boat, Canaha Genkichi, attempted to strike the Philippine officer with a club, the officer shot him through the arm. Genkichi was then taken to the provincial capital of Basco for trial on a charge of assault. The other Japanese managed to escape. The Japanese claimed they had been forced into Philippine territorial waters by a storm, but Manila officials stated they had received reports previously of poaching by Japanese in the Mauyen district and had hurried there to investigate. The Manila authorities have suspended the operation of 115 Japanese fishing boats for failure to obtain licenses.

Some 6,000 workers of the Armstrong—Siddeley Motor Works in Coventry, England, went on strike. Feb. 1. The strike was motivated by the fact that a number of workmen are now employed on duties which were formerly carried out by apprentices. Some departments of the works were obliged to close down.

Italian Fathers Cleared On Charge of Spying

Several Italian Fathers who were arrested by the Chinese authorities in the interior late last year on suspicion that they were engaged in espionage for Japan, have now been released and all accusations against them dismissed. This is according to a statement made this week by the Italian embassy and published in the local press.

French Increase Pay of Russian Volunteers

The authorities of the French Concession at Shanghai have increased the pay of the members of the Russian Volunteer Corps from $44 a month to $54 a month and in addition provide the men with food and housing. Corporals who have been in the service four years now receive $80 a month, while sergeants with four years' service receive $100 a month. A Chinese staff also has been employed to do the cooking and cleaning at the barracks, this work having previously been done by the men themselves. The present commander of the force, which now numbers 300 men, is Capt. L. M. Adamovitch, who previously was a general in the Czarist Army.

Death of E. S. Little Reported in New Zealand

Telegrams were received in Shanghai this week telling of the death of Edward S. Little at the age of 75, following a long illness. Mr. Little was for many years a member of the Municipal Council of the International Settlement and was active in the foreign community here. He is survived by his widow and daughter, Mrs. Gladys Hawkings, who were at his home in New Zealand at the time of his death, and E. S. Little, Jr., who is in Shanghai. Mr. Little was born at Dorsetshire in 1864 and received his education at Taunton and Peterhouse, Cambridge. He went to the United States at an early age and joined the Methodist Episcopal Mission. Later he returned to England and was married to Miss Caroline Amelia Bate, daughter of a clergyman. They came to China in 1886 as members of the Methodist Episcopal Mission at Chinkiang, Kiangsu and also were stationed at Kiukiang, Nanking and Yangchow. In 1900 he retired from missionary work and joined the firm of Brunner, Mond and Company which he developed to extensive proportions. In 1918 he retired from active business and for a time served as Australian Trade Commissioner in China. Later he went to New Zealand where he engaged in fruit framing, remaining there until the time of his death. Mr. Little was credited with making the first proposal for the sale of the Municipal Electricity Department to private interests. He was one of the original promoters of the Kuling Association which promoted the famous summer resort. He was also active in Chinese political affairs, famine relief activities and in 1911 participated in conferences between Northern and Southern Chinese political groups. He last visited in Shanghai in October, 1938.

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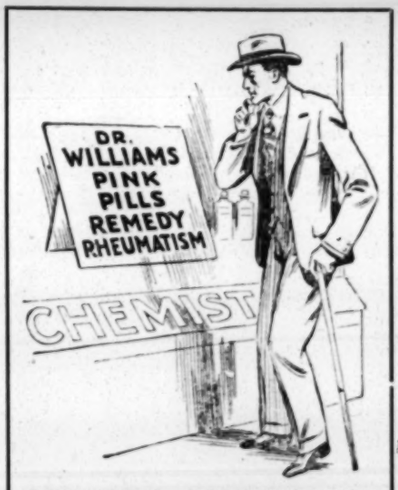

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New Books of Interest in the Far East

101 Per Cent American

I LIKE AMERICA—By Granville Hicks. Modern Age Books, Inc., New York, 1938. 216 pp. U.S.$0.50.

Granville Hicks, well-known American author, critic, and teacher, gives here in plain language the collectivist or Communist position for the welfare of his native land. Not only is what Mr. Hicks says interesting, but the manner of his speaking is even more significant. The greatest obstacle to convincing Americans of the need for Communism lies in their refusal to see themselves insecure economically and politically under the great concentration of wealth and power by which less than one per cent of the population controls their destinies and fortunes. To demonstrate this growing insecurity of the 97 per cent—the workers—becomes, then, Mr. Hicks's job.

He begins by establishing that this right to criticize America comes from love of his native land, not from his own poverty, for he is reasonably well-off in his modernized New England farmhouse. But on looking around he sees that "more than one-half of this nation is not so well-housed or fed or clad as it ought to be, and that one-fourth lives in slums and hovels" below minimum standards of health and decency. This leads to step 2.

Are there enough workers and goods to supply the nation as it ought to be supplied? He quotes figures of the government's C.W.A. report and concludes that "every American family could have as much in the way of goods and services as a family with an income of $4,370 could have secured in 1929. All America could have what only one in ten has today." And again: "The conservative Brookings Institute estimates capacity during the boom, 1925-1929, as 19 per cent higher than actual production." In other words, America for the past eight years has been producting less han she is able, and less than her people need for an adequate American standard of living.

Step 3 goes yet further, to show that economic security is uncertain. In 1933, 35 per cent of all wage-earners—four out of every five workers are wage-earners—were unemployed, and the rest suffered salary cuts. Another figure tells us that American investors have lost some $12,000,000,000 in so-called gilt-edge investments: foreign bonds, mortgages, etc. While previous depressions leveled out in war profits, new frontiers, and the like, the existing one has no such answer—and hard times are still on hand.

It is on these gloomy points that the author rests his case for collective action by workers of all groups—white-collar as well as manual. Liberty for everyone comes only with the removal of the profit system, since under the present set-up fierce competition means large concentrations of wealth and power which keep the owners safe and sound. Thus, in depressions and crises, the individual loses his guaranteed liberties and the assumed freedom to make a decent living, while predatory capitalism turns inevitably to fascism. Mr. Hicks states the case clearly.

He also writes cleverly, as one familiar with the unfriendly American greeting that ideas of national planning usually earn. Constantly the author brings out his one-of-usness by admiring his natural surroundings, his physical comfort, and his family's Yankee virtues. He omits Marxian terms, for he knows how impotent these "color words" are in the land of frontier ideals. Finally, although his figures and conclusions are accurate, he never loses his temper so completely that he brandishes the facts in the air while he calls his opponents dirty names. So restrained and clear, Mr. Hicks upholds his side convincingly.

T. H.

Balances of Payments

The 1937 issue of the annual volume on Balances of Payments just published by the Economic Intelligence Service of the League of Nations analyses the international payments of 33 countries in recent years. An index of the countries covered by previous issues is attached. The entire series of issues of *Balances of Payments* supplies information regarding the international transactions of 59 countries. The countries to which the present issue principally relates include almost all the chief commercial countries of the world.

To facilitate deductions by students of international economic relations from the documentary material contained in this volume, most of the statements for individual countries are compiled on the basis of a special form (the full text of which is included in the volume) sent to all States members of the League of Nations.

Comparable figures are given in the case of practically all the countries represented for goods, interest and dividends, other services, gold and long term and short-term capital movements.

League Trade Statistics

The Economic Intelligence Service of the League of Nations has just published a new edition of International Trade Statistics for 1937.

This volume contains statistical tables of foreign trade of 66 countries for the years 1935-1937, and indicates respectively the imports and exports of goods per year and per month, the imports and exports per country, and the imports and exports per principal article, the imports and exports of bullion and specie, and the imports and exports by groups according to international classification (Brussels, 1916). The volume includes over 300 tables.

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More Foreign Ships Seized on Coast

Growing Japanese interference with foreign shipping along China's coasts was manifested late last week and early this week in the seizure and detention of two vessels, the s.s. *Santaram*, of Portuguese registry, and the s.s. *Ada*, which was flying the Hungarian flag.

The *Santaram* was boarded by a party of sailors from a Japanese destroyer off the Chekiang coast last Friday while proceeding to Shanghai. Among her passengers were several foreign residents of Shanghai: Mark L. Moody, well-known local automobile dealer, Irving S. Brown of the American consulate-general, Dave Gill, and Inspector J. M. Watson of the Shanghai Municipal Police.

The *Santaram* was returning to Shanghai from Haimen when brought to a halt by a signal from the Japanese destroyer: "Stop or we will fire on you."

Thinking he was the radio operator, the Nipponese sailors looked the purser in his cabin and then proceeded to make a thorough search of the ship, which was held up for an hour and three quarters.

The *Ada*, it appears, was seized near Wenchow on Jan. 22 but the seizure of the ship was admitted only on Monday of this week by the Japanese naval spokesman in Shanghai, who furnished no details. Present whereabouts of the vessel are unknown. She sailed from Shanghai Jan. 20 with a cargo of diesel oil, empty drums, scrap iron zinc sheets and other goods consigned to Wenchow. The only foreigner on board, as far as is known, was Captain A. Steen, the Norwegian skipper.

Japanese Protest

A protest against the action of the British warship H.M.S. Birmingham in forcing release of the *St. Vincent de Paul*, British coaster, in Tsingtao harbor last week, was lodged with A. J. Martin, British consul-general in Tsingtao, by Japanese consul-general Denjiro Kato. The warship's action, said the Japanese consul-general, constituted "interference with the lawful discharge of their duties" by Tsingtao Customs officers. The Nippon official was reported by *Domei* to have demanded an explanation of the British action and assurances that it would not be repeated.

According to the Japanese-controlled Customs authorities, the *St. Vincent de Paul*, and two Norwegian ships seized at the same time, were "trading at places not permitted in either their inland river navigation permits or clearance papers."

On Feb. 3, according to a *Reuter* message from Canton, the Japanese authorities temporarily closed the Pearl River to all shipping because of "military operations." The next day, however, according to a *Transocean* dispatch from Hongkong, a Japanese merchant vessel was due to leave the British port for Canton to inaugurate a weekly service between the two points.

Increasing importance was being attached by the Japanese Army to the Yangtsze River, especially its estuary, War Minister Lieut.-Gen. Seishiro Itagaki, declared in a budgetary debate in the House of Representatives, this week. He reiterated his declarations that the Army had no intention of neglecting that part of China.

The system of export permits introduced by the Japanese in Tsingtao was the subject of questions in the House of Commons Feb. 6. R. A. Butler, under-secretary for foreign affairs, said that the British consul-general in Tsingtao had made frequent representations on the refusal of such permits to British firms, but the Japanese consul-general, in reply, had always pleaded "military necessity" for the refusals. The British ambassador in Tokyo, he added, had taken the matter up.

Two British vessels of the Jardine, Matheson Company, the *Taisang* and the *Wingsang*, were held up by the Japanese at Chefoo for six hours last Tuesday, while their "status" was being investigated.

The Japanese naval spokesman in Shanghai said interference with the shipping of third powers would continue as long as this was deemed necessary. As long as Japan is engaged in hostilities with the Chiang Kai-shek regime, he added, everything considered necessary to bring about the downfall of that regime will be done.

Salvation Army Launches Annual Campaign for Funds

Using as its central slogan the words, "The Joy of Having is in Sharing," the Salvation Army in Shanghai has launched its annual campaign for funds to continue the work of social relief and rehabilitation which, especially since the outbreak of the Sino-Japanese hostilities, it has carried forward with unremitting vigor and earnestness. A total of $40,000 has been set as the goal of the campaign. Director of the campaign is Commissioner A. J. Benwell, who is confident that Shanghai will respond as in years gone by to aid the Army in continuing its work of rescue.

The Army has issued an attractively illustrated folder, prepared by Brigadier B. Morris, in order to acquaint the Shanghai public with the Army's work and to give some idea of its financial needs. Working in cooperation with the International Relief Committee, the Army has managed camps and organized hundreds of workers to aid in caring for over 43,000 refugees.

A farewell reception in honor of Mr. and Mrs. Charles R. Bennett, for long prominent in local relief work, was held in the Park Hotel last Saturday under the auspices of nine Shanghai relief organizations, namely, the Red Cross Society of China, the Shanghai Refugee Relief Association, the Shanghai International Red Cross, the China Foundation, the Federation of Shanghai Charity Organizations, the World Red Swastika Society, the Shanghai International Relief Committee, the Shanghai Emergency Relief Association and the China International Famine Relief Commission.

Dr. Alfred S. K. Sze, chairman of the publicity and appeals committee of the Shanghai International Red Cross and former Chinese ambassador at Washington, acted as host. In a speech, he requested Mr. and Mrs. Bennett to convey to the American people when they return home appreciation of the assistance given to China's refugees.

Wang Ching-wei Will Not Proceed Abroad

Reports from Chungking that the government had granted a passport to Mr. Wang Ching-wei for a trip abroad at his request were ridiculed by an associate of the former Kuomintang leader, the Hongkong correspondent of the *Nichi-Nichi* chain of newspapers reported Feb. 8.

The correspondent quoted Wang's associate as having said that Wang's departure would be welcomed by the Chinese government, but that he has no intention of going abroad. On the contrary, Mr. Wang has decided to proceed to a "suitable place" to carry on vigorous peace activities, his friend was said to have stated.

Mr. Wang plans to organize an "International Anti-Comintern Committee" for disseminating the basic principle of the tripartite Anti-Comintern Pact among East Asiatic peoples, according to the *Nichi-Nichi* correspondent, and will take the lead in a movement designed to bring about "honorable peace."

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NOTICE OF HEARING

Pursuant to an Order herein made notice is hereby given to all persons concerned or interested that the Final Report and Account of the Administrator of the above entitled Estate has been filed and approved and that there will be a hearing with respect to the distribution of the assets of said Estate on Friday the 28th day of April, 1939, at 10 o'clock in the forenoon in the Court room of the United States Court for China at Shanghai.

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What the Industrial Cooperative Movement Means to

FOREIGN BUSINESS HOUSES IN SHANGHAI

The Japanese did their level best to destroy all Chinese industry and stifle all foreign industry in the Shanghai industrial district where nearly 70 percent of China's modern factories were located. Chinese and foreign industrial losses in this area have been estimated as high as U. S. $844,500,000 (see booklet, "Japan's War on Foreign Business," published by *The China Weekly Review*).

In order to offset these enormous losses the Chinese authorities, in cooperation with certain foreign interests, have launched the movement for Chinese

INDUSTRIAL COOPERATIVES.

The object of the movement is to encourage the development of small industrial establishments in interior districts beyond the reach of the Japanese militarists. Already many of these small groups have been formed and they have created a demand for small machinery units suitable for special industrial plants in inland districts. Mr. Rewi Alley, formerly engaged in industrial surveys at Shanghai, is now devoting his entire time to the promotion of cooperatives in the interior.

"The Story of the Chinese Industrial COOPERATIVES"

This is the title of a 68-page illustrated booklet recently published by *The China Weekly Review*. It explains the reasons for the movement and tells how it will provide China with an industrial base which she requires in order to win out in the present struggle for the preservation of her national life.

The price of the booklet, 68-pages, convenient pocket size 5½" × 7½" is 50-cents, including postage. Send copies to your friends and business connections. Order copies from any bookstore or from

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